

PROGRESS REPORT

INTERLOOP LIMITED

QUARTERLY PROGRESS REPORT

FOR QUARTER ENDED ON DECEMBER 31ST, 2019

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "INTERLOOP LIMITED" around the top edge, "Faisalabad" in the center, and a small star at the bottom.

PROGRESS REPORT

Projects Progress Report

This Progress report is being submitted as per Regulation 5(6)(iv) of the Public Offering Regulations, 2017 & in compliance of the requirement of the Pakistan Stock Exchange Letter # PSX/Gen-5311, Dated November 20, 2018 and in compliance with the Securities & Exchange Commission of Pakistan's Letter # SMD/CIW/SA-88/06/2018 dated December 21, 2018.

Interloop Limited carried out a successful IPO in March, 2019 to finance the following two projects: -

- **Denim Unit in Lahore; A Denim stitching unit**
- **Hosiery Division V in Faisalabad, Khurrianwala; A Socks knitting unit**

We are pleased to share the implementation report of the above mentioned projects.

Interloop Denim – Implementation Update

The denim division is located at 8 km Manga Raiwind Road, Lahore. The project has been mobilized in November 2019 as originally planned.

First Phase has been completed and currently installed capacity of 500,000 units a month (20,000 units per day) has been commissioned. The plant has shipped approximately 360,000 units in December 2019 to customers in Europe and North America. Production stands at 16,500 units a day with the target of achieving full capacity of 20,000 units by Q3 of FY 2019-20.

After completion of 2nd phase during the last quarter of calendar year 2020, total capacity will be 40,000 units per day.

From an operational perspective, manpower has been upskilled with productivity improving each month. All 12 sewing lines are operational and ancillary machinery in the laundry has been commissioned.

Pictures of Denim plant can be seen in Annexure I.

Initially we allocated the budget of PKR 6.75 billion for Denim. It has been enhanced to PKR 7.7 billion due to the depreciation in PKR and some cost overruns including preproduction expenses / trial run losses. The increase in cost is being financed by internal cash generation.

Annexure II depicts the details of the category wise budget utilization.

Muhammad


PROGRESS REPORT

Hosiery Division V- Implementation Update

Phase 2 of pilot unit of Plant 5 has been completed successfully within the existing infrastructure for the time being to cater for the demand of the buyers. The unit is currently operating with 210 knitting machines, 600 personnel and produced 212,000 dozen in December 2019. Another 90 knitting machines have been ordered and hiring is underway to strengthen the team further. By end of March 2020, the Pilot unit will be operating at 15,000 dozen per day with approximately 900 personnel.

Building layout for main Plant has been prepared. It will house 1,200 knitting machines with daily production capacity of approximately 42,000 dozen. Main project is under civil work and structural planning phase.

Annexure III (Pictures) depicts the progress of pilot phase of plant V.



Muhammad Maqsood
President / Group CFO

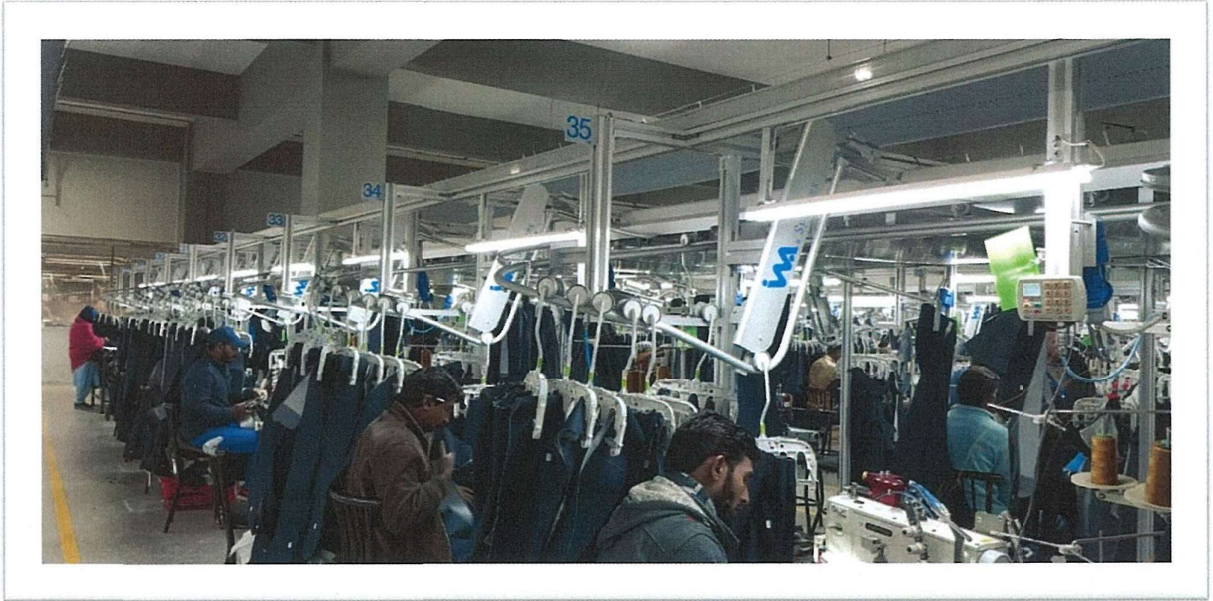




Rana Ali Raza
Company Secretary

PROGRESS REPORT

Annexure I



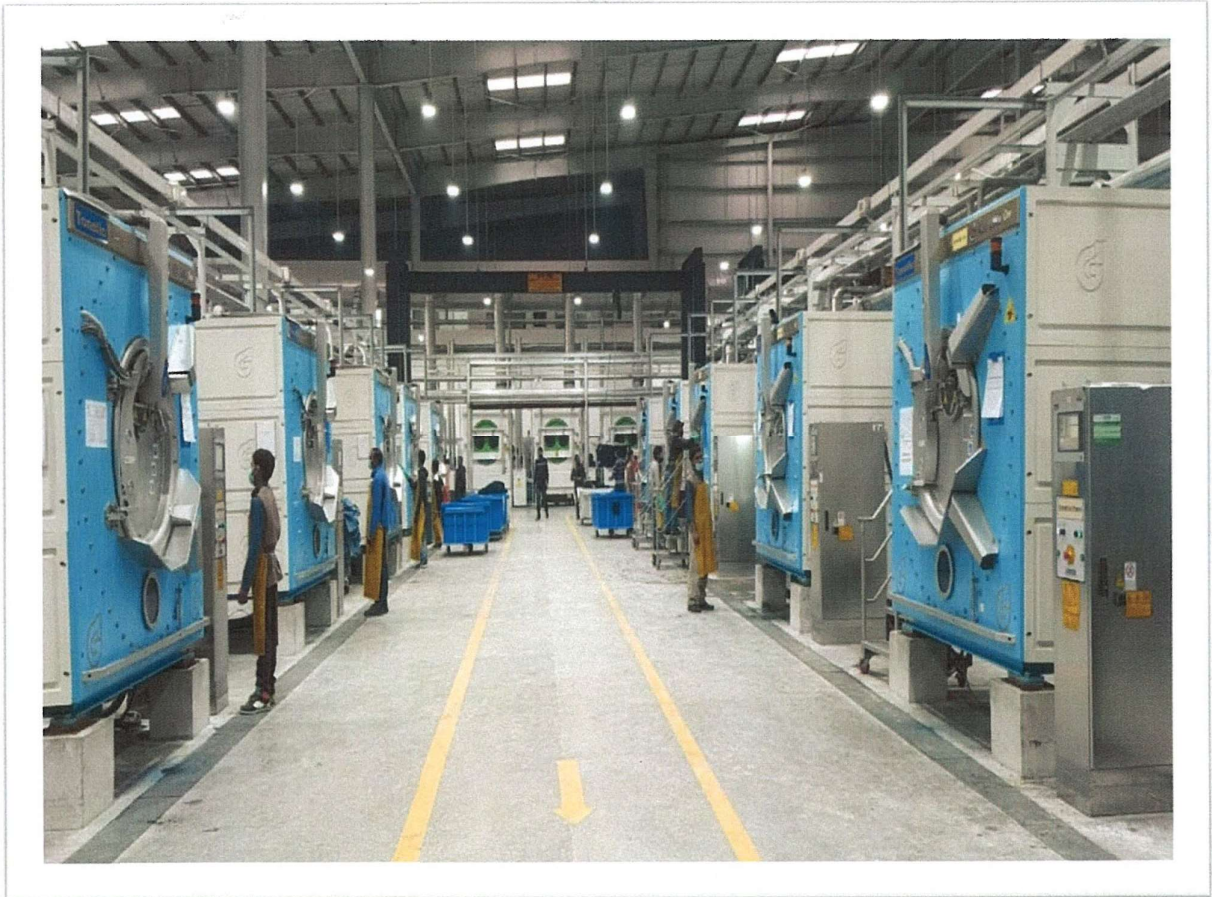
Handwritten signature

PROGRESS REPORT



Muhammad
7.

PROGRESS REPORT



Mr. - ind
?

A circular blue ink stamp. The outer ring contains the text "INTERLOOP LIMITED" at the top and "Faisalabad" at the bottom. A small star is located at the bottom center of the ring.

PROGRESS REPORT

Annexure II (PKR)

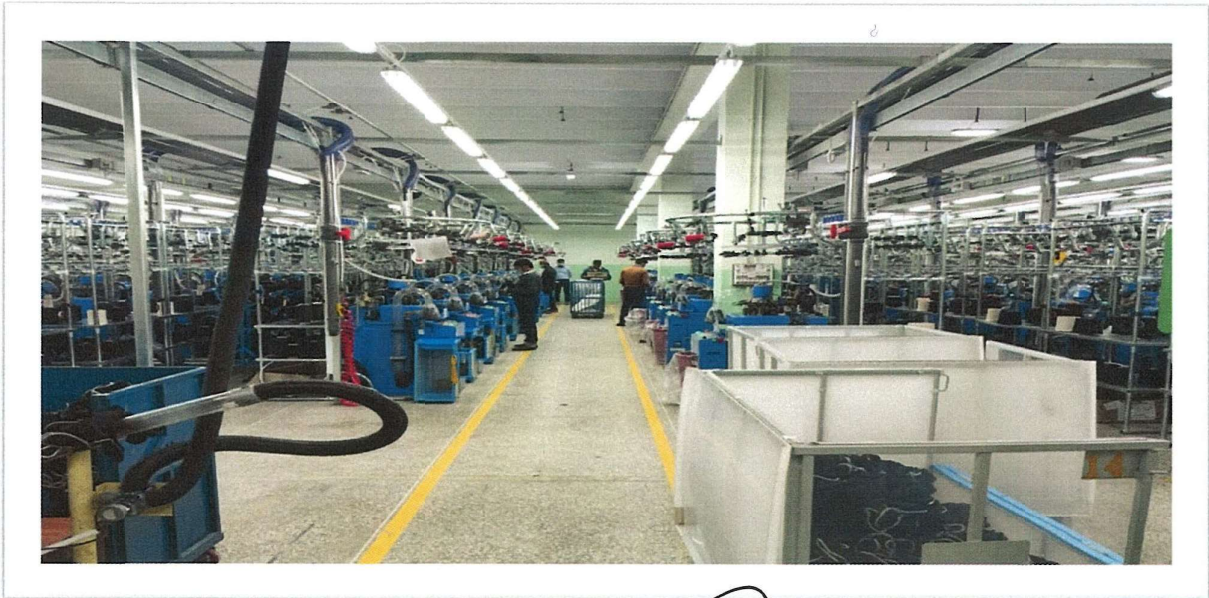
Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PR & PO
Denim - Construction of Building setup	2,460,852,632	2,351,918,740	2,015,338,199	108,933,892	95.57%
Denim - Procurement of Machinery	3,336,569,515	2,680,059,300	1,940,243,869	656,510,215	80.32%
Denim - Power & Utilities	1,041,430,000	795,240,071	620,792,104	246,189,929	76.36%
Denim - Manufacturing System, Computers and IT Equipment	298,295,870	149,181,929	9,726,428	149,113,941	50.01%
Denim - Miscellaneous Expense	135,349,206	129,977,353	93,955,318	5,371,853	96.03%
Pre-Commencement Expenses/Trial run losses	449,926,780	449,926,780	449,926,780	-	100.00%
TOTAL	7,722,424,003	6,556,304,173	5,129,982,698	1,166,119,830	84.90%

Note: Initially the estimated cost of the project was PKR 6.75 billion. Pre commencement expenses / trial run losses, cost over-run and Exchange loss are being financed through internally generated cash flows.



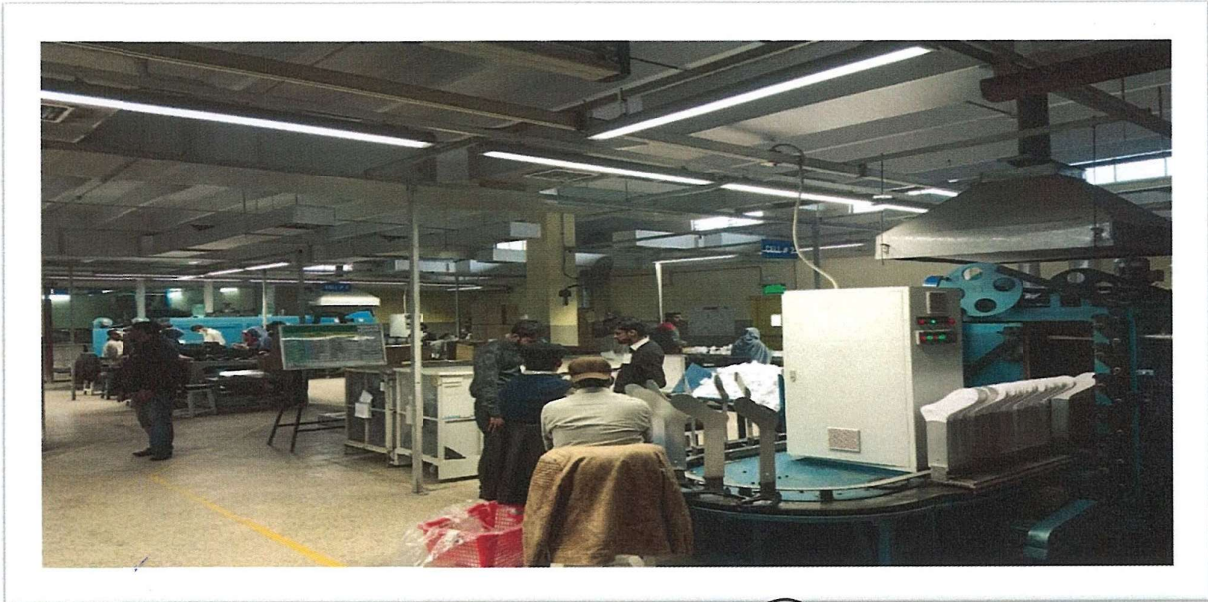

PROGRESS REPORT

Annexure III



Handwritten signature
INTERLOOP LIMITED
Faisalabad

PROGRESS REPORT



Mr. [Signature]
INTERLOOP LIMITED
Faisalabad