
PROGRESS REPORT

INTERLOOP LIMITED QUARTERLY PROGRESS REPORT

FOR QUARTER ENDED ON JUNE 30th, 2020



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PROGRESS REPORT

Projects

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

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

Interloop Denim — Implementation Update

The denim division is located at 8 km Manga Raiwind Road, Lahore and has been functional since November 2019 as originally planned. Building & Infrastructure for the entire project is 97% complete.

Machinery Phase 1:

We have successfully completed the first phase of the project by installing capacity of 20,000 units per day. The project started its commercial operation since Second Quarter FY2020. Covid-19 Pandemic has effected the marketing activity and our ramp-up plans. However, the project is gradually making its place in European and North American markets.

Phase 2:

In the second phase, it is planned to enhance the capacity to 40,000 units per day. The project is completed in terms of infrastructure since almost 80% of the budget has already been consumed. However, considering the impact of COVID-19 which has adversely impacted the economies and demand all across the globe, the project activities have been slowed down. (Progress related to Denim project can be seen in Annexure I)

The management is fully committed with the project to enhance its capacity and strongly believes that the completion of the project will bring significant benefits to the company and its shareholders.

Project cost has been enhanced to 8.325 billion from an initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost is being financed by internal cash generation. *Utilization of project cost is given in detail in Annexure II.*



Hosiery Division V — Implementation Update

Phase 2 of Pilot Unit for Plant 5 had been completed successfully and the unit is currently operating with 210 knitting machines utilizing existing infrastructure. The company has started installation of already ordered 120 knitting machines. These machines will be commissioned and start their commercial operations in First Quarter FY2021. This will boost up production capacity from 6,000 to 10,000 dozen per day, which equates to roughly 25% capacity of the main plant being designed to produce 42,000 dozen per day.

Land for the project has been procured. The building layouts and schematics already been finalized. However, considering the impact of COVID- 19 which has adversely impacted the economies and demand all across the globe, the overall pace of the project has been slowed down.

To-date, a total of Rs 1,039 million has been incurred on the project. *(Progress related to Plant V project can be seen in Annexure III).*

The management is committed with the project to enhance its capacity and believes that the completion of project will bring significant benefits to the company and its shareholders.



Sd/-

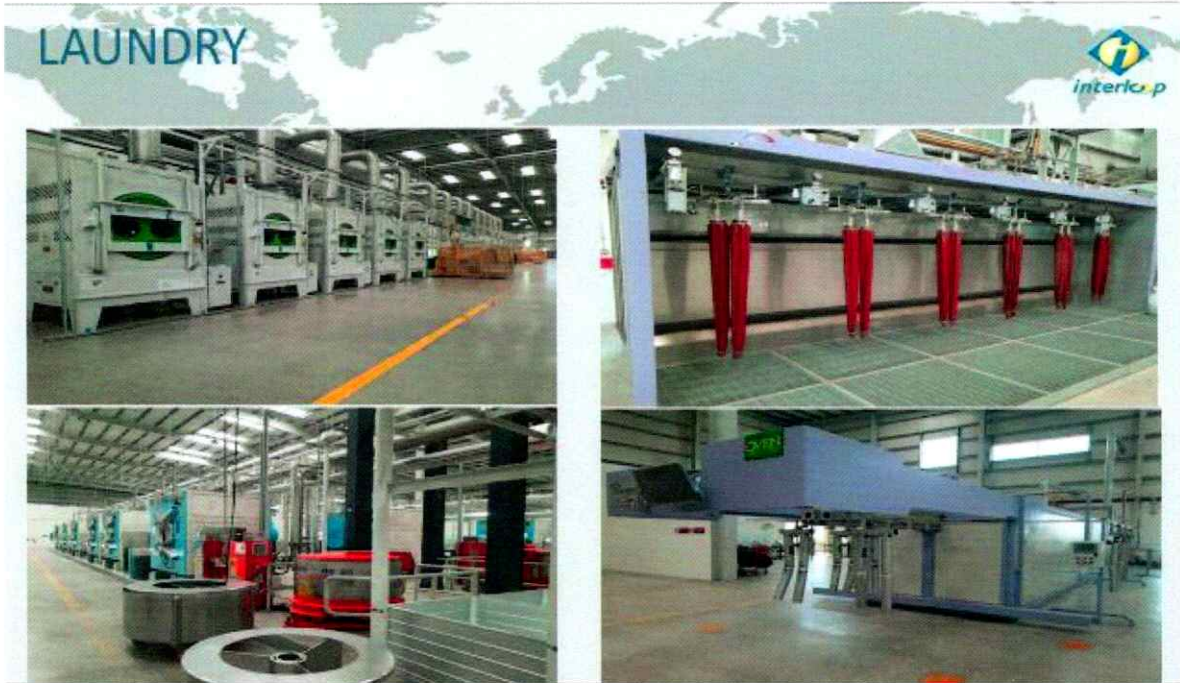
Muhammad Maqsood
President / Group CFO

Sd/-

Rana Ali Raza
Company Secretary

Annexures

Progress related to Denim Project Annexure I



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INTERLOOP LIMITED
Faisalabad

CUTTING



SEWING



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FINISHING



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INTERLOOP LIMITED
Faisalabad
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Utilization of Project Cost Annexure II (PKR)

Budget Description	Final Approved	PO Issued/LC Established	Actual Payment to Suppliers/Vendors	Available Balance	% age Consumed based on PO
Denim - Construction of Building Setup	2,460,852,632	2,396,364,213	2,042,841,610	64,488,419	97.38%
Denim - Procurement of Machinery	3,342,771,114	2,680,059,300	2,387,891,435	662,711,814	80.17%
Denim - Power & Utilities	1,322,750,505	898,495,910	820,872,714	424,254,595	67.93%
Denim - Manufacturing System, Computers and IT Equipment	303,295,870	177,478,354	174,483,876	125,817,516	58.52%
Denim - Miscellaneous Expenses	249,053,099	141,941,167	127,961,829	107,111,932	53.99%
Pre Commencement Expenses / Trial run losses	646,276,780	449,926,780	449,926,780	196,350,000	69.62%
TOTAL	8,325,000,000	6,744,265,724	6,003,978,244	1,580,734,276	81.01%

Project cost has been enhanced to 8.325 billion from initial estimate of PKR 6.75 billion for Denim project due to the devaluation in PKR and trial run losses. The increase in cost will be financed by internal cash generation.

The image shows a handwritten signature in blue ink over a circular official stamp. The stamp contains the text 'Faisalabad District Council' and a star symbol at the bottom.

Progress related to Plant V Annexure III



Signature
FALSAFABAD
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Handwritten signature
INTERSHOP LIMITED
Faisalabad