

Maple Leaf Cement Factory Limited



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The General Manager,
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

PUCARS/ Courier
MLCF/PSX-4/81
January 15, 2019

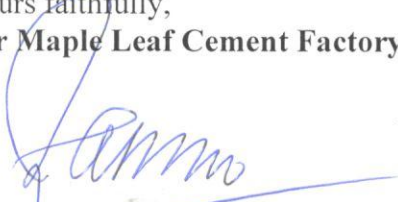
**Subject: QUARTERLY PROGRESS REPORT ON EXPANSION PROJECT OF MAPLE LEAF
CEMENT FACTORY LIMITED**

Dear Sir,

In compliance with your letter No. PSX/C-927-5446 dated August 16, 2017 under clause 24 of Annexure-I "Documents/Information required for Issue of Right Shares", and sub-clause (ix) of Rule 5 of the Companies (Issue of Capital) Rules, 1996, we are pleased to present the Quarterly Progress Report on Expansion Project of Maple Leaf Cement Factory Limited for the period ended December 31, 2018, which is being attached herewith as "Annexure-A".

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,
For Maple Leaf Cement Factory Limited


(Muhammad Ashraf)
Company Secretary

Encl. As above

CC:

- ◆ **The Director / HOD,**
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad

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MAPLE LEAF CEMENT FACTORY LIMITED

PROGRESS REPORT FOR THE QUARTER ENDED DECEMBER 31, 2018

The following progress has been achieved on the Implementation of the expansion project of Maple Leaf Cement Factory Limited ("the Company").

The Project:

The Company has undergone to set up an additional dry process clinker production line of 7,300 tons per day grey clinker production, a brown field expansion at the Company's existing site in Iskandarabad, to enhance total grey cement capacity up to 18,000 tons per day. In this regard, the Company, after signing EPC contract, has opened Letter of Credit as on March 17, 2017 in favor of plant supplier, M/s. FLSmidth A/S, Denmark, for supply and setting up of the said production line.

Total project is now estimated at a revised cost of Rs. 26 billion including the impact of recent devaluation of Pak Rupee. Project cost is being financed approximately 59% from debt and 41% from equity. Project is accelerating as per the plan and Rs. 21 billion has been paid to date which is approximately 81% of the total project cost.

An overview of the above project is given hereunder along with time line and cost status:

1. Plant and machinery

Letters of Credit ("LCs") for supply and setting up of engineering and equipment of complete cement plant from M/s. FLSmidth A/S, Denmark, amounting to Euro 79.6 million i.e. Rs. 11 billion (as per exchange rate prevailing at the time of respective foreign bill payment) has been established through National Bank of Pakistan. Till the quarter ended December 31, 2018, all the plant related shipments have been received at project site.

2. Civil and Plant Erection work

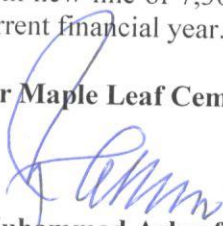
The contract for the civil construction and mechanical erection work has been awarded to Descon Engineering Limited. The construction work at site is in full swing and up to December 31, 2018 approximately 91% of civil work has been completed. Further, 62% work of plant erection has been completed till December 31, 2018.

3. Electrical and Instrumental work

The contract for the electrical work has also been awarded to Descon Engineering Limited. The progress on electrical work at site is also up to the mark and progressing as per the plan. Approximately 47% of electrical work has been completed up to December 31, 2018.

From December 03, 2018 onwards, we have also started phase-wise commissioning test of installed equipment which is expected to complete by March 31, 2019. Commercial production from new line of 7,300 tons per day is expected to commence in the beginning of 4th quarter of current financial year.

For Maple Leaf Cement Factory Limited


(Muhammad Ashraf)
Company Secretary

