



TRUSTED NOT TO COMPROMISE

The General Manager
Pakistan Stock Exchange
Stock Exchange Building
Stock Exchange Road
Karachi

January 30, 2019

SUBJECT: QUARTERLY PROGRESS REPORT ON UTILIZATION OF RIGHT SHARE FUNDS

Dear Sir,

The Pakistan Cables Limited (the “Company”) had offered 25% Right Shares on April 19, 2018, for the purposes of purchasing machinery, by offering 7,115,594 shares to the existing shareholders at a price of Rs. 160 per share (including a share premium of Rs. 150 per share). The Right Shares were fully subscribed by the shareholders and the proceeds from the issue were credited in our bank account on July 26, 2018. The following is the progress report on utilization of funds from the Right Issue:

The Company has successfully negotiated with M/s. ALAMBRES Y CABLES TÉCNICOS S.A., for the purchase of a Continuous Casting Line for the manufacture of copper rod along with accessories. Previously the contract that had been signed with the seller included an advance payment of 33% for which the Company had applied to the State Bank of Pakistan (“SBP”) on September 4, 2018 to obtain approval for making the advance payment via a Letter of Credit as recent regulations have come into place restricting processing of advance payments due to the country’s depleting foreign exchange reserves.

The Company did not manage to get a response from the SBP hence the Company renegotiated its contract with the seller for a full payment upon delivery rather than an advance payment. The FOB value of the line is US\$ 932,000/- (Rs. 125 million) which shall be paid via an irrevocable Letter of Credit upon presentation of shipping documents by the seller. The Company anticipates such payment to be made by April 2019, subject to any unforeseen delays in the dismantling/packaging of the line by the seller.

Yours Sincerely,
Per Pro Pakistan Cables Limited

Nazifa Khan
Manager Legal Affairs and Company Secretary

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