



UNITY FOODS LIMITED
— food for life! —

UNITY FOODS LIMITED

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May 7, 2020

The Commissioner
Corporate Supervision Department
Securities and Exchange Commission of Pakistan
NIC Building
63, Jinnah Avenue,
Islamabad.

Dear Sir,

Statement under Regulation 18(2) of the Companies (Further Issue of Shares) Regulations, 2018

Please refer to the second Right Issue announced by Unity Foods Limited on February 19, 2019.

Find attached the statement dated May 7, 2020 on progress on the utilization of proceeds and related matters as required under the subject Regulations. The Report relates to the Quarter Ended March 31, 2020.

Yours truly,

Syed Muhammad Tariq Nabeel Jafri

Company Secretary

CC

The Director
Surveillance Supervision Enforcement (SMD)
Securities and Exchange Commission of Pakistan
Islamabad.

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.
Encl: a.a.

Unity Foods Limited

Second Right Issue

Statement of Progress

March 31, 2020

Preamble.

Unity Foods Limited announced its second Right Issue on February 19, 2019. The issue constituted 375 million shares at face value of PKR 10 each raising PKR 3,750,000,000. At the time of announcement of Right Shares, the Company had 169,050,000 ordinary shares and each of the then existing share was entitled to about 221.83% right shares.

The Right Issue was successfully closed as per approved schedule of PSX and the proceeds were realized in May 2019. Thereafter, the Company issued 375 million shares.

Regulatory Requirement.

As per Regulation 18(2) of the Companies (Further Issue of Shares) Regulations, 2018, the Company is required to submit progress report on the utilization of proceeds of the Right Issue.

Progress Status

The Company has completed acquisition of Crude Palm Oil (CPO) refinery as announced vide Material Information on February 12, 2019. The Company has taken over physical possession of the CPO refinery and the asset has been transferred in the books of the Company with related formalities of Port Qasim Authority being completed.

We are happy to report that CPO refinery has already commenced production.

Following COVID-19 lockdown, there has been slow progress on the deployment of proceeds of 2nd Right issue of the Company. The Assets acquired from the proceeds of right issue before the pandemic spread has benefited the Company and its sales have progressed rapidly with January-March 2020 quarter showing highest ever sales of the Company. Summary of quarterly sales since the announcement of 2nd Right issue is provided below:

Quarter Ended	Sales	Percentage growth over preceding quarter
March, 2019	2,673,947,110	-
June, 2019	4,709,673,813	76.13
September, 2019	4,555,242,575	(3.28)
December, 2019	6,754,968,358	48.29
March, 2020	9,318,748,312	37.95

However, new acquisition and other deployment have been insignificant due to closure of many businesses. Construction and other work has either slowed down or completely stopped during this period.

However, the management is hopeful that with improvement in Covid-19 situation and opening of local and international businesses the Company would proceed to acquire assets planned under the Right issue proceed utilization announced in February 2019.

Except for the delay in deployment of Right issue proceeds due to lockdown following pandemic of Covid-19, there has been no deviation from the proposed utilization of proceeds announced with the Right Issue, nor has there been any cost overrun in the project.



Syed Muhammad Tariq Nabeel Jafri
Company Secretary

