



UNITY FOODS LIMITED
— food for life! —

UNITY FOODS LIMITED

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July 20, 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 as Amended.

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

Find attached the statement dated July 20, 2020 on progress on the utilization of proceeds and related matters as required under the subject Regulations.

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.

Unity Foods Limited

Second Right Issue
Statement of Progress

July 20, 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, as amended, the Company is required to submit progress report on the utilization of proceeds of the Right Issue.

Progress Status

The acquisition of Crude Palm Oil (CPO) refinery as announced vide Material Information on February 12, 2019 is already completed and after taking the physical possession of the CPO refinery the asset was transferred in the books of the Company and production was also commenced, as also reported in last Quarterly Progress Report. The related formalities of Port Qasim Authority were processed but could not be completed due to COVID-19-related issues.

The process of proceed utilization of 2nd Right issue of the Company remained slow during the quarter under report due to COVID-19 linked lockdown. The Assets acquired from the proceeds of right issue before the pandemic spread 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
June, 2020	Results not yet announced	

There has been no significant new acquisition of assets and also no major deployment of funds in other areas like civil construction as businesses either remained closed or were not fully geared to render the requisite services. Therefore, no material progress has taken place during April June, 2020 quarter. The proposed plan of asset acquisition remain on hold. Most of the construction and other work has also either slowed down or completely stopped during this period.

It is expected that lockdown and other measures to control COVID-19 that slowed or halted business activities, are likely to be lifted or eased gradually in coming months. Once the overall situation improves, the Company would restart the activities relating to planned acquisition of assets and other related activities, as per Right Issue proceed utilization announced in February 2019.



Syed Muhammad Tariq Nabeel Jafri

Company Secretary