



UNITY FOODS LIMITED  
— food for life! —

UNITY FOODS LIMITED

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February 02, 2021

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 February 02, 2021 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  
February 02, 2021

## 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 for the quarter October -December 2020

The acquisition of Crude Palm Oil (CPO) refinery 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 earlier Quarterly Progress Report. The related formalities of Port Qasim Authority are under process and are expected to be completed shortly.

The process of proceed utilization of 2<sup>nd</sup> Right issue of the Company remained slow during the quarter under report due to second wave of COVID-19 linked slowdown. The assets acquired from the proceeds of right issue to date have immensely benefited the Company and its sales have witnessed steady rise since then. Company's quarterly sales since the announcement of 2<sup>nd</sup> right issue is summarized below:

| Quarter Ended   | Sales<br>PKR              | 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      | 9,243,061,397             | (0.8)                                    |
| September, 2020 | 12,169,277,409            | 31.66                                    |
| December, 2020  | Results not yet announced | -  |



Handwritten signature and blue circular stamp of Unity Foods Limited Company Secretary.



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

Measures to control COVID-19 that slowed or halted business activities are expected to yield results in coming months and as soon as it is deemed beneficial for the Company and circumstances permitting, the funds would be deployed to acquire/construct the requisite assets. The Company expects to restart the activities as soon as overall economic situation improves and the business environment becomes conducive towards capitalization and expansion. The overall plan relating to asset acquisition and other related activities, as per Right Issue proceed utilization announced in February 2019 remain largely on track.

We are hopeful that the deployment of proceeds of the 2<sup>nd</sup> right issue will be completed as per the schedule announced with the right issue.

Yours truly,



Syed Muhammad Tariq Nabeel Jafri  
Company Secretary

