



UNITY FOODS LIMITED  
— food for life! —

UNITY FOODS LIMITED

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May 17, 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 May 17, 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  
Karachi.

Unity Foods Limited

Second Right Issue

Statement of Progress

May 17, 2021



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## **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**

As the company has already informed the Exchange, the acquisition of Crude Palm Oil (CPO) refinery is complete and it is now operating at its optimal capacity. The related asset purchase formalities of Port Qasim Authority are being processed as per Port Qasim Authority timeline.

The process of proceed utilization of 2<sup>nd</sup> Right issue of the Company remained slow during the quarter under report due to the fact that the COVID-19 has slowed down activity at the manufacturers end. However, the Company remains committed to executing its well laid down expansion plan and is endeavoring to meet the set timelines for the expansion.

In pursuant to its strategy, in the Oct – Dec 2020 quarter, the company has opened LCs for import of equipment related to setting up of integrated oil refining process, which will include a chemical refinery, a physical refinery and fractionation process. Machinery and equipment worth about PKR 78 million were delivered during March and is in process of installation. These machineries include component of plant for Chemical Refinery and two Wolf VPP 450 Seal Machines. The Company is now expecting more equipment to be delivered in the next quarter and expect the complete delivery within the envisaged time schedule

The Company continues to remain engaged with suppliers of various other equipment related to margarine and shortening plant and packaging units to acquire the same in order to complete its expansion plan and will inform the Exchange on progress as it happens.



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All in all, 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.

Yours truly,



Syed Muhammad Tariq Nabeel Jafri  
Company Secretary

