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Suhail Jute Mills Limited

(Manufacturers of Hessian Cloth, Twine & Bags)

Ref. No. 002/PSx/230

Dated 11-01-2022

Mr. Hafiz Maqsood Munshi
Senior Manager, Companies and Securities Compliance-RAD
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
KARACHI-74000

Dear Sir,

We refer to your letter dated 05 January 2022, under Reference, Gen-31

We are pleased to provide you with a progress report in respect of Suhail Jute Mills Ltd., for the quarter ended 31 December 2021.

As you are aware, the restart of commercial operations hinges entirely upon our ability to raise adequate financing for working capital and the discharge of outstanding obligations to creditors, principal among which is the settlement of obligations to institutions who have secured Decrees from the Courts.

As was envisaged in the merger Plan, the Company has surplus assets that have become available for disposal, as a consequence of the Merger The planned disposal of assets will not impact the Company's continued ownership of a functional Jute Manufacturing facility which has been maintained in a running order. The existing unit will be capable of generating revenue, once working capital becomes available, enabling commercial production to be recommenced.

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Since the finalization of the merger, we have made strenuous efforts to sell such surplus assets so as to raise the required amount of funding .However, we have not been able to secure the same, particularly the front-loading of the consideration for the sale of surplus assets. It is to be appreciated that much of the period in question has been negatively impacted by the depressed economic conditions because of the effect of the Covid19 pandemic. Moreover, because part of the available assets includes Land, we have also faced issues relating to the end use of the Land, which has further shrunk the pool of potential buyers.

During the quarter ended 31 December 2021, the Company has explored the viability of entering into joint ventures with potential buyers. We are encouraged by the response of potentially interested parties and remain actively engaged with them.

The Company is currently in the process of formulating and finalizing the terms of the possible joint venture arrangements after having had feedback from interested parties and shall be putting up the matter to the Board for consideration and approval.

We trust the above is in order.

Yours truly,

For, SUHAIL JUTE MILLS LIMITED



SOHAIL FAROOQ SHAIKH

CHIEF EXECUTIVE