



CHERAT PACKAGING LTD

(Formerly Cherat Papersack Limited)
26/27-B, Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa, Pakistan
TEL: (0938) 270125 & 270221 FAX: (0938) 270126 E-MAIL: cpl.site@gfg.com.pk



CPL/AMF/2013
August 6, 2013

✓ The General Manager
Karachi Stock Exchange
(Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

The Secretary
Lahore Stock Exchange
(Guarantee) Ltd.
19-Khayaban-e-Aiwan-e-Iqbal,
Lahore

Dear Sir,

COMMENCEMENT OF OPERATIONS OF SECOND LINE OF POLYPROPYLENE PLANT

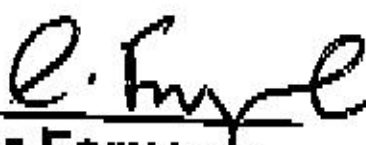
We are pleased to inform that Cherat Packaging Limited (CPL) has successfully installed and commissioned the second line of Polypropylene Plant for producing cement bags.

The second line of polypropylene cement bag manufacturing plant has also been acquired from leading European supplier namely M/s. BSW – Windmoller & Holscher. It is the most advanced and fastest plant in the world and CPL has the privilege to be the first company in the world to have it. With this expansion, the production capacity of the company has increased from 65 million to 105 million polypropylene (PP) bags per annum. Another 40 million bag capacity will be added in the second phase of expansion in first half of next year. The plant has been commissioned at the existing factory site of the company in Gadoon Amazai, Khyber Pakhtunkhwa Province within the scheduled time period and all major quality assessment tests have been satisfactorily carried out.

With the enhancement of production capacity of polypropylene plant, the company is confident of gaining further market share to establish itself as a true market leader in cement packaging. Additionally, by virtue of this expansion, the company will be able to better allocate its fixed costs, which will allow it to produce best quality bags for various product categories and capitalize on its strong relationship with the existing customer base. Further, export of empty PP bags and manufacturing of PP bags for packing other products like sugar, chemicals, rice, fertilizer and other similar products shall further improve the position of the company.

We are optimistic that with the installation of this polypropylene plant, the sales volumes and the profitability of the company shall increase in the future. Furthermore, it shall also consolidate the position of the company as the market leader in providing quality packaging solutions to cement manufacturers.

Yours sincerely,
For Cherat Packaging Limited


Amer Faruque
Chief Executive

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