



Maple Leaf Cement Factory Limited



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The General Manager,
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

PUCARS/ Courier
MLCF/PSX-4/28
January 12, 2018

**Subject : QUARTERLY PROGRESS REPORT ON EXPANSION PROJECT OF MAPLE LEAF
CEMENT FACTORY LIMITED**

Dear Sir,

In compliance with your letter No. PSX/C-927-5446 dated August 16, 2017 under clause 24 of Annexure-I "Documents/Information required for Issue of Right Shares", and sub-clause (ix) of Rule 5 of the Companies (Issue of Capital) Rules, 1996, we are pleased to present the Quarterly Progress Report on Expansion Project of Maple Leaf Cement Factory Limited for the period ended December 31, 2017, which is being attached herewith as "Annexure-A".

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,
For Maple Leaf Cement Factory Limited


(Muhammad Ashraf)
Company Secretary

Encl. As above

CC:

- ♦ **The Director / HOD,**
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad

Fax# 051-9100440

MAPLE LEAF CEMENT FACTORY LIMITED

PROGRESS REPORT FOR THE QUARTER ENDED DECEMBER 31, 2017

This Progress Report is being submitted in compliance with the requirement of the Companies (Issue of Capital) Rules, 1996.

The following progress has been achieved on the Implementation of the expansion project of Maple Leaf Cement Factory Limited ("the Company"),

The Project:

The Company has undergone to set up an additional dry process clinker production line of 7,300 tons per day grey clinker production, a brown field expansion at the Company's existing site in Iskanderabad. This expansion will enhance total grey cement capacity upto 18,000 tons per day. Total project cost is estimated at Rs. 23 billion. In this regard, the Company, after signing EPC contract, has opened Letter of Credit as on March 17, 2017 in favor of plant supplier M/s. FLSmidth A/S, Denmark, for supply and setting up of the said production line.

An overview of the above expansion project is presented below:-

1. Overall Project Status

Owing to an order issued by the Environmental Protection Agency (EPA) construction work at capacity enhancement of new line of 7,300 tons per day has temporarily been put on hold. The Company has met all the statutory obligations prior to project kick-off. The Management believes that this order is unlawful and consequently has filed a writ petition in the Honorable, Lahore High Court, Lahore, where we are expecting positive outcome.

2. Plant and Machinery

Letters of Credit ("LCs") for supply and setting up of engineering and equipment of complete cement plant from M/s. FLSmidth A/S, Denmark, amounting to Rs. 9.5 billion has been established through National Bank of Pakistan. Shipments related to new plant installations have started arriving at site in October, 2017 and are expected to follow the planned schedule.

3. Civil Work

The contract for the civil construction and mechanical erection work has been awarded to Descon Engineering Limited.

(This will suffice the requirements in terms of Section 96 and 131 of the Securities Act, 2015, and Section 15D of the Securities and Exchange Ordinance, 1969).

For Maple Leaf Cement Factory Limited

(Muhammad Ashraf)
Company Secretary

