UNITY FOODS LIMITED
food for life!

UNITY FOODS LIMITED

UNITY TOWER,
Plot # 8 C, Block-6, P.E.C.H.S.,
Karachi 75400, Pakistan
Phone : +92 21 34373605 - 7
Fax : +92 21 34373608
Email : info@unityfoods.pk
Website : www.unityfoods.pk

Form 7

March 01, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Financial Results for Half Year Ended December 31, 2017

We have to inform you that the Board of Directors of our company in their meeting held on March 1, 2018 at 2:00 pm at the registered office of the company at Unity Tower, 8 C Block 6 PECHS Karachi has not recommended any corporate action.

Financial results and Directors' Report for the period are attached.

We will be sending you 200 copies of printed accounts for distribution amongst the TRE Certificate Holders of the Exchange.

Yours sincerely,

Jalees Edhi
Company Secretary

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Directors' Review

On behalf of the Board of Directors I am pleased to present the Directors' Review for the half-year ended December 31, 2017.

Al Hamdo Lillah, the Right Issue announced by the Board in its meeting held on September 28, 2017 was successfully closed in December and the Company raised Rs. 1,650 million issuing 165 million shares at par. The paid up capital of the Company was thus raised from Rs. 40.5 million to Rs. 1,690.5 million.

The Company was ailing for last many years due to lack of capital and vision. Appointment of new board last year brought the achievements beyond initial expectations and the board managed to raise adequate capital required for the industry to operate with efficiency. While investing the capital it was the prime objective of the management and the Board to maximise the benefits to the company which will translate into profitability.

The Company proudly inaugurated its Office Building with the covered area of 12,000 square feet located in the prime location on Shara-e-Faisal, Karachi, the financial district of the city.

Its solvent extraction plant situated in the midst of untapped and promising location in the industrial estate of Kotri and is gearing to bring the Company in a preeminent position amongst its peers. It's a one of its kind multi-seed processing facility enabling the company to reap the benefits of processing multiple oilseeds simultaneously to bring the unmatched excellence. The total land spans approximately 40 acre with covered built-up area of approximately 120,000 sq. ft. The solvent plant has a capacity of crushing 450 metric tons per day of oilseeds and 300 tons per day of pelletising feed products. The factory site is well equipped with the running utilities such as natural gas and electric power and other facilities. The Company is now in a position to capitalize the opportunities in years to come and new entrants will require considerable time and resources to establish operations on this scale.

A State-of-the-art edible oil refinery has started its commercial operations with the untiring efforts of its production team. The commercial teams have been activated and are achieving their set objectives. This refinery is located at the heart of Karachi`s industrial area and has a capacity of 150 metric tons per day.

Summary of financial operations of the Company for half year ended December 31, 2017 is provided below:

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	Rs.
Sales	0
Cost of Sales	0
Financial Charges	(10,032,145)
Administrative Expenses	(44,841,096)
Other Income	7,588,998
Loss Before Taxation	(47,284,243)
Income Tax	(762,026)
Loss After Tax	(48,046,269)
(Loss per Share)	(1.25)

The loss per share has been reported on about 38.55 million shares (weighted average shares). The actual issued shares are 169,050,000.

The Company has charged expenses relating to right issue, expenses incurred on acquisition of assets and other expenses in the profit and loss account. However, commercial production was not commenced during the period as right issue was closed in the month of December 2017. Following close of half year, the Company has successfully commenced commercial operations. Raw material (Soya Bean Seed) for the solvent extraction plant has already been procured from reputed global vendors including COFCO, Geneva and Columbia Grains, USA. The raw material is expected to arrive at the plant by end of March this year.

Acknowledgements

We would like to take this opportunity to thank the Pakistan Stock Exchange, the SECP and the CDC for their continued support and cooperation towards the Company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team members for their untiring and dedicated hard work in bringing the Company into operations and expect continued efforts and support from them in times to come.

For and on behalf of the Board

Muhammad Farrukh
Chief Executive

Karachi:

March 1, 2018

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

	Half Year Ended		**Quarter Ended**	
	December 31, 2017	**December 31, 2016**	**December 31, 2017**	**December 31, 2016**
Sales	0	0	0	0
Cost of Sales	0	0	0	0
Gross Profit	0	0	0	0
Administrative expenses	(44,841,096)	(1,781,594)	(36,250,547)	(781,657)
Finance cost	(10,032,145)	(5,778)	(10,030,683)	(4,966)
Other income	7,588,998	26,999	7,588,747	19,449
Loss before taxation	**(47,284,243)**	(1,760,373)	**(38,692,483)**	(767,174)
Taxation	(762,026)	0	(762,026)	0
Loss for the period	**(48,046,269)**	(1,760,373)	**(39,454,509)**	(767,174)
		Restated		*Restated*
Loss per share - basic and diluted	**(1.25)**	(0.18)	**(0.59)**	(0.08)

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