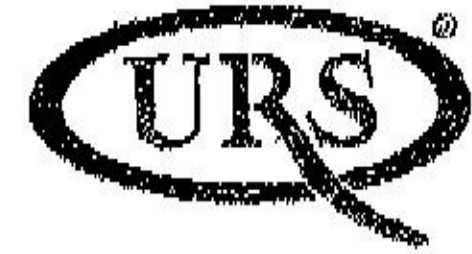


THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**KSE/N-3661****NOTICE****July 05, 2010**

Reproduced hereunder letter received from **AL-ABBAS CEMENT INDUSTRIES LIMITED** for information of members of the Exchange

(Copy of the same is also available on our Website www.kse.com.pk).



AL-ABBAS CEMENT INDUSTRIES LTD.

~~No.~~ No. AACIL/KSE/010/

July 5, 2010

Mr. Haroon Askari
GM Operations
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi – 74000.

Sub: **SHOW CAUSE NOTICE UNDER KSE LISTING REGULATION NO. 30(2)**

Dear Sir,

This is with reference to your letter No. KSE/ Gen-4414 dated June 22, 2010 on the captioned subject; we would like to draw your attention towards Section 249 of the Companies Ordinance, 1984, which Inter-alia stated that no dividend shall be paid by a Company otherwise than out of profits of the Company. The Company paid last dividend on June 30, 2004.

The Company was acquired by Al-Abbas Group in January 2005. Immediately after taking the management of the Company, the Sponsors put their efforts in rehabilitation of the Company and incurred approximate Rs. 150 million to make plant moving. Further, as a long term strategy, the new Management started planning on the automation, modernization and expansion of plant, with object to increase its capacity to 3,000 metric tons of clinker and about 4,000 metric tons of cement, through heavy Balancing, Modernization and Replacement (hereinafter referred to as BMR) all the major areas of plant.

Unfortunately in November 2006 when work of BMR was almost complete and trial run also started, an accident occurred at new installed EP and de-dusting system which caused major damage to plant which resulted in delayed start of commercial production by almost ten months.

Unfortunately, when plant was ready to produce 3,000 metric tons of clinker per day the entire economic scenario changed, from expanded economy to slow down economy. In addition to this political and law and order situation of the country and global financial crisis also had very negative impact on the economy of the Pakistan. Sudden slow down of Pakistan's as well as world economic activities directly impacted.