



**ARIF HABIB
SECURITIES LTD.**

13 May 2008

Mr. Muhammad Ghufraan
Deputy General Manager
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Karachi.



Dear Sir,

This is with reference to your letter No. KSE/C-1059-3733 dated 8 May 2008 regarding the news item published the daily Business Recorder captioning 'Arif Habib Securities allowed to trade on Colombo bourse'.

We in this regard, like to inform you that the information was not given to the press by the company. The media might have taken the news from any agency of Sri Lanka.

The fact is that Arif Habib Securities Limited has not been approved as broker dealer at Colombo Stock Exchange. Actually an associate company of Arif Habib Securities Limited known as S.K.M Lanka Holdings (Pvt.) Limited, incorporated in Colombo has been approved as a Trading Member of the Colombo Stock Exchange and SEC of Sri Lanka. The company's shareholding in S.K.M. Lanka Holding (Pvt.) Limited has been disclosed in our third quarters' report.

We had sent you a copy of notice of Extraordinary General Meeting scheduled to be held on 17 May 2008, wherein the company wants to seek the approval of the shareholders for additional investment in S.K.M. Lanka Holding (Pvt.) Limited being an associated company of Arif Habib Securities Limited

We hope this will meet your satisfaction.

Yours sincerely

Haroon Usman
Company Secretary



*Fazal Usmani
Pl. circulate with
our letter
13/5/08*