

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-159

N O T I C E

January 11, 2010

Reproduced hereunder letter No. CLD/EMD/FIU/17/2006-2 dated January 08, 2010 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** for information of members of the Exchange.

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



**SECURITIES AND EXCHANGE COMMISSION
OF PAKISTAN**

NIC Building, 63 Jinnah Avenue, Islamabad.

No. CLD/EMD/FIU/17/2006 - 2

January 8, 2010

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| <p>✓ 1. The Managing Director Karachi Stock Exchange Stock Exchange Building Stock exchange Road Karachi-74000</p> | <p>2. The Managing Director Lahore Stock Exchange Stock Exchange Building 19-Khayaban-e-Aiwan-e-Iqbal Lahore-54000</p> |
| <p>3. The Managing Director Islamabad Stock Exchange 55-B, Jinnah Avenue Blue Area Islamabad 44000</p> | |

RE: PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF AHMED SPINNING MILLS LTD

Dear Sir,

We are writing with reference to the investigation concluded by the Securities and Exchange Commission of Pakistan (the Commission) into the affairs of Ahmed Spinning Mills Ltd and the subsequent order dated October 12, 2007 passed by the Honourable High Court of Sindh in the matter titled *M.A. 04 of 2007 Sheikh Abdul Wahid & Others vs. Securities and Exchange Commission of Pakistan ("SECP") & Others*.

In this connection, we would like to bring to your notice brief facts of the case which are as under:

- The directors of Ahmed Spinning Mills Ltd (ASML) sold ASML's investment at a throwaway price to an off-shore shell company and subsequently these investments were sold-off in a public offer at a price of Rs. 333 per share, thus depriving ASML's shareholders of their rightful share of Rs. 213.425 million. The Commission authorised an investigation into the matter and restrained the funds in the interest of the investors otherwise the completion of the transaction would have been harmful to the interest of shareholders.
- In response to the actions of the Commission the directors of ASML approached the Honourable High Court of Sindh. However, the Honourable Court through its order dated October 12, 2007 in the matter titled *M.A. 04 of 2007 Sheikh Abdul Wahid & Others vs. Securities and Exchange Commission of Pakistan ("SECP") & Others* held that the price differential of Rs. 213.43 million arising out of the proceeds of sale of ASML's investment in the shares of Untied Sugar Mills Limited belonged to such shareholders of ASML who held the shares on November 10, 2004 in proportion to their respective shareholdings.
- The Honourable Court further directed that upon receipt of claim from such shareholders of ASML the Commission shall verify these claims and submit a report before the Nazir of the Honourable High Court of Sindh, Karachi. Upon further verification by the Nazir the said report