

THE KARACHI STOCK EXCHANGE (GUARANTEED) LIMITED**KSE/N-12****N O T I C E****January 01, 2009**

Reproduced hereunder letter received from MOHAMMAD FAROOQ TEXTILE MILLS LIMITED for information of members of the Exchange.



M O H A M M A D F A R O O Q
T E X T I L E M I L L S L T D

Mr. Haroon Askari
General Manager, Operations
Karachi Stock Exchange Ltd.
Stock Exchange Building,
Off: I.I. Chundrigar Road
Karachi

December 30, 2008

Show Cause Notice

Dear Sir,

Kindly refer to your letter ref No. KSE/Gen-11507 dated December 17, 2008 on the Company's inability to declare dividend or bonus for the last five years.

As you may be aware, the entire textile industry is undergoing a severe financial crisis for the last five years, starting with the imposition of anti-dumping duties and culminating with the withdrawal of R&D support, coupled with unexpected high input costs and inflationary pressures.

Resultantly, you will observe that our Company has been saddled with unutilized production capacity due to global recession and high financial and production costs, which have made it extremely difficult to break-even, let alone declare dividends or bonus in the past five years.

However, the new management which took over the Company in February 2008 is making its best efforts to turn the Company into a profitable entity and our results for the year ended 30th June, 2008 and quarter ended 30th September 2008 show tremendous improvements in all spheres of corporate and financial management.

In view of the foregoing, we request you to kindly condone the failure to declare dividends and allow us reasonable time to bring the Company into a profitable position whereby it can declare dividends to all stakeholders and become a viable entity.

Thanking you,

Yours faithfully,
For Mohammad Farooq Textile Mills Ltd.,


Mohammad Ahsan Hafeez
Company Secretary