



Fateh Sports Wear Limited

FSWL/CLD/ 158 /13

November 04, 2013

The General Manager,
Karachi Stock Exchange Limited,
Karachi.

Dear Sir,

DELISTING OF FATEH SPORTS WEAR LIMITED AND BUY-BACK OF SHARES

Kindly refer to our letter dated October 31, 2013 regarding majority shareholders to purchase all the shares for the purposes of delisting of the Company from the Karachi Stock Exchange Limited.

Pursuant to Regulation No. 30-C of the Listing Regulations of the Karachi Stock Exchange Limited, we enclose/submit as under:

1. REASONS OF DELISTING

• Accumulated Losses

The Company is suffering losses and is not in a position to earn profit in its business operations. As per annual accounts for the year ended on June 30, 2013, the accumulated loss is Rs. 469.033 million as against paid up capital of Rs. 20 million i.e. the shareholders equity is eroded and is in negative.

Further the auditors' of the Company are continuously qualifying their report and has doubted about Company's ability to continue as going concern.

• Financial Position

Due to accumulated losses, the financial position of the Company has also deteriorated and current ratio is in negative i.e. current liabilities exceed current assets by Rs.412.400 million.

• Share Trading in Market

During the years 2010-2013 i.e. from November 01, 2010 to October 31, 2013 (i.e. in three years), the shares of the Company have been traded only for 10 days and total volume of shares trade is only 39,000 shares which is only 3,900 shares per trading day. This shows that general public/investors are not interested in making investment in the shares of the Company, which is apparently due to the deteriorated financial position of the Company.

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