



GADOON TEXTILE MILLS LIMITED

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July 22, 2014

The General Manager
Karachi Stock Exchange Limited
Karachi

Dear Sir,

Material Information

Pursuant to the requirements of Section 15-D of the Securities and Exchange Ordinance 1969 and sub-clause xx of Listing Regulation No. 35 of the Listing Regulations of the esteemed Stock Exchanges, we are pleased to inform that the Board of Directors of Gadoon Textile Mills Limited (the Company) has resolved to recommend to its shareholders to invest in setting up a 660MW Coal Based Power Project in Karachi through M/s. Lucky Holdings Limited (LHL) in which the Company holds 1% shares and has further recommended the same to be considered for the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

The Board has recommended for the approval of the shareholders, an equity investment of approximately PKR 270 Million (US\$ 2.7 Million approximately) for the above referred project to be set up by a newly formed entity by the name of 'Lucky Electric Power Company Limited' (LEPCL). LEPCL will be a wholly owned subsidiary of LHL where company holds 1% shareholdings.

The power project will be set up with an estimated project cost of US\$ 1.08 billion and financed in the debt/equity ratio of 75:25. The Company will be the sponsor of LEPCL investing an amount of approximately PKR 270 Million (US\$ 2.7 million approximately) for the project and holding 1% equity stake of LEPCL through LHL. The Company shall continue to hold at least 1% indirect stake in the project from the date of the Letter of Support (LOS) to the 6th anniversary of the commercial operations date of the project, as required under the implementation agreement to be signed with Government of Pakistan (GOP) through Private Power and Infrastructure Board (PPIB), for the sponsors to hold equity investment in lock-in period. The implementation of the power project is subject to all necessary regulatory approvals and required consents.

This is for the information and circulation to the members of your exchange(s).

Yours truly
For **GADOON TEXTILE MILLS LIMITED**

ABDUL SATTAR ABDULLAH
Company Secretary