

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-580

NOTICE

February 04, 2009

Reproduced hereunder the letter received from **KOHAT TEXTILE MILLS LIMITED**
for information of members of the Exchange:



SAIF GROUP

KOHAT TEXTILE MILLS LIMITED

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KTM/SH/7/2-2009

3rd February, 2009

Mr. Muhammad Ghufraan
DGM Companies Affairs
Karachi Stock Exchange (G) Ltd
Stock Exchange Building
Stock Exchange Road
KARACHI.

SHOW CAUSE NOTICE

Dear Sir,

Reference reminder dated 22nd January, 2009 regarding subject matter on account of non declaration of dividend.

In this regard it is stated that the textile industry is in crisis since late nineties and is getting into deeper crisis with every passing day. Law & Order situation in the country and political uncertainty were the main reasons of this crisis which further deepened due to following un-foreseen factors:

- i) Rise in the interest rates which were ranging between 5 % and 10 % in the year 2006-2007.
- ii) Increase in the rates of electricity and natural gas tariffs at regular intervals.
- iii) Record increase in the oil prices in the international market which touched to the height of US Dollar 140 per barrel at one point of time.
- iv) Sky rocketing inflation rate.
- v) Drastic negative change in the parity of PKR verses US Dollar and other major foreign currencies.
- vi) General recession in the global economy AND