

LANDMARK SPINNING INDUSTRIES LIMITED

*Fax # 111 573 329
2 pages including this*

The Deputy Manager
Karachi Stock Exchange (Guarantee) Ltd.
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: FINANCIAL RESULT FOR THE HALF-YEAR ENDED 31ST DECEMBER 2011.

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on 27TH February 2012, at 04.30 P.M. at 108 Cotton Exchange Building I.I.Chundrigar Road Karachi approved the Financial Statements for the half year ended 31ST December 2011.

No dividend has been declared.

Profit & Loss account with comparative figures are attached herewith.

Following points indicated by Auditors' in their Auditors' Review report for the half yearly accounts under review:

- The company has incurred a net loss of Rs. 525,490/- during the period ended December 31, 2011, and as of that date it has accumulated losses of Rs. 171,566,736 which have eroded its capital and its total liabilities exceeded its total assets by Rs. 50,329,736/=, the company has not started its production for last many years despite representation made by the management to revive the production. Continuous breakdowns in electricity and non availability of gas line for gas generator are a major problem to run the factory at winder Baluchistan. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.
- Depreciation on fixed assets has not been charged except on Vehicle and Hut at sandpit since the date commercial operation was suspended by the company in 2002-2003, Had the company charged depreciation on all the assets of the company with out taking impact of revaluation the written down value of the fixed assets (without revaluation) would have been reduced by Rs. 87,307,041 and consequently accumulated losses of the company as of balance sheet date would have been increased by Rs. 87,307,041 , Furthermore the company has made revaluation on its fixed assets Land, Building and Plant and Machinery in the year 2008, Had the company charged depreciation on all the assets of the company taking impact of revaluation the written down value of the fixed assets (revalued) would have been reduced by Rs. 117,699,809 and Consequently Accumulated Losses of the Company as of Balance sheet date would have been increased by Rs. 117,699,809.

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) Consequently if any adjustment may be required to the carrying amounts and classification of assets and liabilities, the financial statement and the notes thereto not disclose this fact, nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements as of and for the six months period ended December 31, 2011 are not prepared in all

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