

SCLL/HO/2152

September 21, 2010

Muhammad Ghufan
Deputy General Manager
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

NON DECLARATION OF DIVIDEND OR BONUS SHARES

Standard Chartered Leasing Limited was incorporated in Pakistan in 1993, as Union Leasing Limited (ULL). In September 2006, after the takeover of Union Bank by Standard Chartered Bank Pakistan Ltd ULL became a subsidiary of Standard Chartered Bank (Pakistan) Limited. The name of the Company was changed to Standard Chartered Leasing Limited in August, 2007. The Company is principally engaged in the business of leasing and is listed on all the three Stock Exchanges in Pakistan. The financial results of the company over the past six years are set out below:

	(Rs. in Million)					
	2005	2006	2007	2008	2009	2010
Gross Revenues	366.01	399.25	304.79	181.24	179.89	241.56
Financial Charges	233.60	291.64	256.39	137.59	91.16	108.55
Gross Margin	132.41	107.60	48.40	43.65	88.72	133.01
Profit/(Loss) Before Taxation	74.13	(12.02)	(349.65)	(56.74)	(56.55)	65.55
Profit/(Loss) After Taxation	84.13	0.35	(234.61)	(63.26)	(59.97)	42.61

Since its listing the company has complied with all the listing regulations of the respective Stock Exchanges. In the financial year 2005 the company had declared dividend @ 10% cash and 10% bonus shares. In the year 2006 the company earned a nominal profit of Rs. 0.35 Million. Due to very low profit and in view of the deteriorating economic condition, the company did not declare a dividend. In the last five years, the company has not been able to declare dividend / bonus shares due to following reasons:

- Persistently high inflation, tough measures taken under the IMF programme, and the deteriorating law and order that have weighed heavily on the economy. GDP growth declined to 2% in FY'09 (July'08 to June'09). The weak performance of the economy has also hit the financial sector.
- Due to the pressure of global financial conditions and difficult local economic environment, the leasing industry continued to operate under increased stress which resulted in declining


