

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/N-3659

**NOTICE**

July 05, 2010

Reproduced hereunder letter received from **SOUTHERN NETWORKS LIMITED** for information of members of the Exchange

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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**SOUTHERN**02<sup>nd</sup> July, 2010

Mr. Haroon Askari  
GM Operations  
The Karachi Stock Exchange (Guarantee) Limited  
Karachi Stock Exchange Building  
Stock Exchange Road  
Karachi.

**Subject: SHOW CAUSE NOTICE UNDER KSE LISTING REGULATION NO.30 (2)**

Dear Sir,

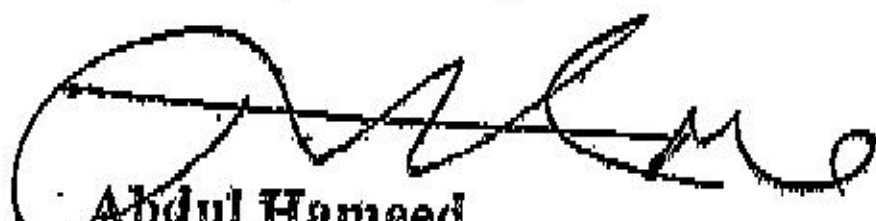
We refer to your letter No. KSE/Gen-4414 dated 22.06.2010 on the above subject. In this connection, we would like to inform you that due to continued losses suffered by the Company during the last 5-years, the directors of the Company could not declare any dividend/bonus to the shareholders.

However, the present management is trying very hard to take out the Company from the present crisis. As you are aware that the Honourable High Court of Sindh has ordered to liquidate the Company and an Official Liquidator was appointed in December, 2008. K.S.E. has suspended the trading of shares from 13.01.2009 and the same is continuing to date. Immediately, on receipt of Liquidator's letter on 06.01-2009 one of major shareholder, on behalf of the Company filed an application in the Honourable High Court of Sindh for grant of stay against liquidation of the Company. Subsequently, the major shareholder has agreed to finance the Company by way of subordinate loan of Rs.150 million and the liabilities of the creditors were repaid, after that the petition for liquidation of the Company was dismissed and withdrawn in December, 2009.

The non declaration of Dividend/Bonus to shareholders is beyond Director control in view of persistent losses to the Company. It is therefore, requested to please condone the condition under listing regulation 30(2) for a period of 2 year and do not place the Company on default counter.

Thanking you,

Your truly  
For Southern Network Limited

  
Abdul Hameed  
Company Secretary