

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-1064

NOTICE

February 25, 2011

Reproduced hereunder letter received from **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**, for information of members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).

S.G. FIBRE LIMITED

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326081

URL: www.cdcpakistan.com

Email: info@cdcpak.com

NOTICE

To: - The Chief Executive Officer, S. G. Fibre Limited

CC: - Director (SROD), Securities and Exchange Commission of Pakistan
- Acting Managing Director, The Karachi Stock Exchange (Guarantee) Limited
- The Chief Executive Officer, National Clearing Company of Pakistan Limited
- CDS Elements - Account Holders/ Participants/ Eligible Pledges

From: Kamran Qazi
CFO & Company Secretary

Date: February 24, 2011

Subject: NOTICE OF INTENTION TO SUSPEND CDS ELIGIBILITY OF ORDINARY SHARES OF S.G. FIBRE LIMITED UNDER THE CDC REGULATIONS

This notice is issued under Regulation 5.3.2 of the Central Depository Company of Pakistan Limited Regulations (the "CDC Regulations") for notifying the intention of CDC to suspend the Central Depository System Eligibility ("CDS Eligibility") of the Ordinary Shares (Security Symbol: SGFL) of S. G. Fibre Limited (hereinafter referred to as the "Issuer") on account of its failure to pay the fee and charges in accordance with the Schedule of Fees and Deposits of the CDC Regulations (hereinafter referred to as the "Schedule").

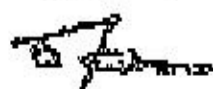
In this regard please note that:

- (a) The Issuer has failed to discharge its obligations to pay the fee and charges of CDC as per Invoice nos. 70700 and 13746 dated July 02, 2009 and July 26, 2010 in the sum of Rs. 67,500 in accordance with the Schedule.
- (b) Regulation 3.8.2 of the CDC Regulations provides that in consideration for the facilities and services provided to it by CDC, each CDS Element (including the Issuer) shall pay fees and charges to CDC in accordance with the Schedule. Further, as per the Issuer Agreement the CDC Regulations constitute a contractual obligation between CDC and the Issuer and are to be read as an integral part of the said Agreement.
- (c) The Issuer is contractually obligated to settle the invoices without raising any objection, however, the Issuer has withheld the payment under the Invoice despite CDC's reminder thereby causing loss to CDC.

In view of the afore going facts and circumstances arising due to conduct of the Issuer, the Issuer is hereby required to settle the invoices on or before ten (10) Business Days from the date of this notice, failing which CDS Eligibility of the Securities of the Issuer shall stand suspended with effect from Tuesday, March 08, 2011.

Further, as required under Regulation 5.3.2(b), a copy of this notice is being sent to the Stock Exchanges on which the Securities of the Issuer are listed.

Regards,



Note: As required under Regulation 5.3.4.1 of the CDC Regulations, Participants are required to notify contents of this notice to their Sub-Assignee Holders holding securities of the Issuer within 2 Business Days of receipt of this notice.