

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-145

NOTICE

January 09, 2009

Reproduced hereunder letter received from USMAN TEXTILE MILLS LIMITED,
for information of members of the Exchange

**USMAN TEXTILE MILLS LIMITED**

UTML/P-02/2009

January 6, 2009

Mr. Haroon Askari

General Manager Operations

Karachi Stock Exchange (G) Limited

Karachi.

Dear Sir,

Subject: **SHOW CAUSE NOTICE**

We thank you for reminding us of dividend vide your letter number KSE/Gen-11507 dated December 17, 2008.

Please refer to our ~~Annual Report 2008~~ and letter number ~~UTML/P 51/2008~~ dated October 16, 2008. The Company had discussed in its annual reports and in general meetings that the old management of the Company had disposed off all its assets and closed its operations and transferred the management to Investec Group in the beginning of year 2003. The Investec Group took over the management of the Company with a view to invest the available funds in some business that could reap good returns to the shareholders. But due to the interference of NAB authorities the management was not in a position to start any operations. In the year 2007 the management once again considered different opportunities for revival of the company. In this connection the Board passed the resolution for Merger of the Company with Lilley International (Private) Limited on December 15, 2007 and the Honorable High Court of Sindh by its order dated October 11, 2008 had approved the Scheme of Arrangements for the said merger. Because of this merger the Company did not declare dividend as the case was in the Court.

Currently the Company is in the process of merging the accounts and the dividend payout will be decided on the basis of these accounts in the current financial year.

We hope you will allow us one more year time to announce dividend and do not shift our Company to default counter as it will not be beneficial for the shareholders or the Exchange.

Yours' Sincerely

Haroon Shekha