



FOR INFORMATION OF ALL SHAREHOLDERS OF KSE

CONSTRUCTION OF NEW BUILDING
IN LIEU OF OLD STRUCTURE/BUILDING

This is to place on record that with the objective of creating positive impact of about Rs.540 million in the valuation of the Exchange at the time of demutualization, the then KSE Board, had decided to have unencumbered the piece of land of measuring around 1,950 sq.yds., on which the current old structure/building is located. This was made part of overall revaluation of the Exchange, whereby net capital of around Rs.8 billion was arrived at, based on which KSE's shares were issued to 200 initial shareholders equally. As per the agreed arrangement, old structure will be demolished and a 12-storied new building [Basement + Ground + 10 floors] adjacent to the present Administration Block will be built on a part of the land [approximately 400 sq. yds.] thus vacated to locate the affected licencees.

The original 'Concept Paper' including proposed valuations of offices in Old Building and respective compensation to licencees was presented to the Board in its meetings held on April 24, 2012 and May 11, 2012. The same, along with updated Progress Report were again presented to the Board, in its meeting held on May 13, 2013 where the Board ratified the same along with actions taken there-under.

The key features of the Project, as agreed/approved by the Board are as under:

- ▣ Occupants of immediately affected 22 offices, out of a total of 60 offices in old building, who will be required to immediately vacate their offices to enable construction of new building, will be provided alternate place at 8th Floor of main building or monthly rent, in lieu thereof.
- ▣ A part of Ground Floor of new building will remain in possession of KSE for onward sale/rent-out to potential buyers/tenants.
- ▣ Compensation determined for offices in old building of the respective occupants will be adjusted against the valuation of offices in new building and/or on 8th Floor of main building to be allotted to such occupants.
- ▣ The offices in new building and on 8th Floor of main building will be sub-leased by KSE to all existing licensees of old building.