

Press Release

SEC Fines M/s Dawood Fibre Mills

Islamabad – 26 October 2004: The Securities and Exchange Commission of Pakistan (SEC) has directed M/s Dawood Fibre Mills Limited (Company) to disclose additional information to its shareholders with regards to sale of its assets, as it had earlier failed to disclose the same in the notice of the meeting. This is a must to enable shareholders to consider this important matter and take a decision.

The Company, in its extra ordinary general meeting held on October 15, 2004 intended to pass a special resolution to authorize its Board of Directors to dispose of four acres of unutilized land of the Company. The SEC observed that material information regarding book value of land proposed to be sold, its present market price, whether the Company has obtained valuation certificate from an independent valuer/Surveyor in order to ascertain the present value of land, whether any prospective buyer is available, and efforts made to obtain best possible price was not published in the notice of the meeting nor the same was disclosed in the statement of material facts to the shareholders.

The SEC after obtaining the above information advised the Company to disclose the same to the shareholders before convening of the meeting to enable the shareholders to consider this important matter. The SEC firmly believes that necessary information must be provided well in time to the shareholders so that they could make a well thought decision in their best interest.