KTM

KOHINOOR TEXTILE MILLS LIMITED

Registered Office : 42-LAWRENCE ROAD, LAHORE PAKISTAN. PHONE: 042-36302261-62 FAX : 92-42-36368721

Through Courier
KTML/SECP/19-26
January 03, 2017

Ms. Najia Ubaid
Joint Director (SSED)
Securities Market Division,
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad.

Subject: Trading price and volume of Kohinoor Textile Mills Limited

Dear Madam,

This will acknowledge the receipt of your letter No. SMD/SSED/KTML/270/16 dated December 30, 2016 on the subject cited above received in this office today wherein you inquired about substantial volatility in price/volume of scrip of Kohinoor Textile Mills Limited (KTML).

In this connection, we write to submit that during the period starting from December 01, 2016 to December 29, 2016, total trading turnover of KTML's scrip remains at 3,314,500 which is nearly 1.17% of the total issued, subscribed and paid up ordinary shares numbering 282,355,148. This depicts that there is no unusual volatility in trading volume.

KTML is export oriented Company and performance of its core business is depicting continued healthy growth. Due to favourable welcome turnaround in operations, optimal use of resources, high quality value added products and hefty decline in finance cost, the market expects improved results during the current financial year. KTML has substantial equity stake of 55.22% and 82.92% in its subsidiaries namely, Maple Leaf Cement Factory Limited (MLCFL) and Maple Leaf Capital Limited respectively. The present market value of equity investment of MLCFL comes to Rs. 38.54 billion which strengthen the scrip value massively. Further, after amendment in the Income Tax Ordinance, 2001, by inserting a new Section 5A i.e. tax on undistributed revenue, there is continued healthy growth in dividend income through steady stream of payouts by subsidiaries. There is also a planned modernization of existing plant and machinery in production facilities which would have favourable impact in better efficiencies, quality improvement and cost control initiatives. There is reasonable improvement in better energy mix for lesser dependency on national grid.

Keeping in view the hardships of textile sector and resultant decrease in textile exports, the Government is expected to announce an attractive package to the exporters of all segments of textile industry. With shifts of the Government by easing cost structures of textile exports through proposed package, market is considering it an encouraging development which further augment the liquidity & profitability of KTML.

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It may please be noted that KTML's scrip fluctuation which you are questioning is nearing three locks seems normal in view of the above dilated facts and narrative of its tremendous progress, accelerated growth and impressive results.

We understand that the above dilated submissions would adequately suffice your reservations. In the meantime, we firmly assure the Commission of our unequivocal commitment to comply with all applicable laws and fulfill corporate reporting obligations in letter and spirit. We do not see any need to disseminate anything further to the PSX as no material event / development has occurred during the period under review.

Thanking you in anticipation.

Yours faithfully,
For **Kohinoor Textile Mills Limited,**

(Muhammad Ashraf)
Company Secretary

CC:

- **The Managing Director**
  Pakistan Stock Exchange Limited
  Stock Exchange Building,
  Stock Exchange Road,
  Karachi for information please

MILLS : PESHAWAR ROAD, RAWALPINDI. PHONES : 051-5495328-32 (5 LINES) FAX : 92 - 51 - 5471795
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