



PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

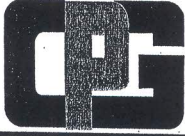
PSX/N-795

NOTICE

February 08, 2017

Reproduced hereunder letter received from **GAMMON PAKISTAN LIMITED**, for information of all TREC Holders of the Pakistan Stock Exchange.

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



**GAMMON PAKISTAN LIMITED
ENGINEERS AND CONTRACTORS**

400/2 - PESHAWAR ROAD. P.O.BOX NO.4, RAWALPINDI.

PHONES : 5477326 - 27, FAX : 92 - 51 - 5477511 E-Mail - gpl@gammonpakistan.com, gammon1@dsl.net.pk N.T.N. 2879668-3

Ref.No.ADM-017/G58A

Dated: February 6, 2017

Mr. Muhammad Ghufraan
Deputy General Manager—Operations,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI

Subject: TRADING IN THE SCRIPT OF GAMMON PAKISTAN LIMITED (GAMON)

Dear Sir,

Please refer to your Letter No.PSX/C-50-831 dated February 2, 2017 on the subject cited above.

We are forwarding herewith a copy of reply sent by the company vide Letter No. **ADM-016/G58A** dated 06/02/2017 to Mr. Muhammad Shamaoun, Deputy Director (SSED), Securities and Exchange Commission of Pakistan (SECP) and copies endorsed to Managing Director, PSX for your further necessary action.

With kind regards,

Yours faithfully,


Muhammad Salahuddin
Chief Executive Officer

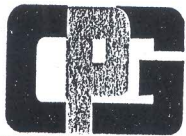


Encl: (as above)

cc:
Muhammad Shamaoun
Deputy Director—SSED
Securities Market Division
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad, Pakistan
Tel: +92 51 9100438

2-Managing Director,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi

1/3



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February 6, 2017

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Deputy Director -SSED
Securities Market Division
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad, Pakistan
Tel: +92 51 9100438

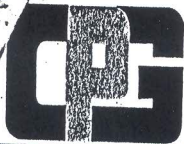
Re: Trading in the scrip of Gammon Pakistan Limited (GAMON)

This has reference to your letter No.SMD/SSED/GAMON/382/2017/117-19 dated January 27, 2017 wherein we have been asked to narrate the reasons for volatile price increase in the shares of our Company running from Rs. 37.20 (January 18, 2017) to Rs. 49.83 (January 26, 2017).

In view of the provisions of section 97 of Securities Act 2015, we have to state that:-

1. It appears that after the start of the "CPEC" (China-Pakistan Economic Corridor) and announcement of some other high profile projects, it is common perception that all the construction companies will get huge share in it. Perhaps it could be the only reason for the abnormal increase in the price of our shares.
2. However we confirm that none of the beneficial, owners, Directors, their associates, sponsors and executives have made any deal of shares during this period which should have affected the price of the shares.
3. There is no material change what so ever in the machinery lay out of the company and neither we have planned any B & MR in the near future.
4. Especially after arrival of "CPEC" (China-Pakistan Economic Corridor) a 'game changer', with many analysts saying the \$51.5 billion Chinese investment will make Pakistan the next Asian Tiger. CPEC is said to be China's biggest ever overseas investment. A 3,218-km-long route, to be built over 15 years, consisting of highways, railways and pipelines that will connect Gwadar Port to Xinjiang. It has been predicted that CPEC projects will result in the creation of upwards of 700,000 direct jobs between 2015-2030, and add 2 to 2.5 percentage points to the country's annual economic growth. Were all the planned projects to be implemented, the value of those projects would be equal to all foreign direct investment in Pakistan since 1970, and would be equivalent to 17% of Pakistan's 2015 gross domestic product. The country is experiencing a boom in the area of infra structural development as this is only way

2/3



GAMMON PAKISTAN LIMITED

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the present or future governments to reach out to the common man and give a better life to citizens of Pakistan.

5. Gammon Pakistan Limited has rich experience of undertaking and successful completion of diversified projects in the country and abroad. Detail of those projects is mentioned in Company's profile (you can find at our Company website www.gammonpakistan.com) to further evaluate strength & achievement of Gammon Pakistan Limited.
6. The projects that have been lingering on for some time and were incurring losses are now being completed and the Company is in the process of acquiring further contracts at favorable market rates to ensure future profitability.
7. None of the parameters of the company's working as narrated above are supporting the share price hike and in our considered opinion, the Punters are doing 'Satta' i.e. hedging on the shares of the company for making quick profits on the shares of the company which shall be probed by SECP in its own way.
8. We feel that above facts will satisfy you that there is no such information being held by the company which is affecting the volatile increase in the price of the shares. Since none of the provisions of section 97 are applicable to the company which would have affected the price variance therefore we feel that we were not obliged to disseminate any information to SECP, Stock Exchange or shareholders of the company.

We shall be pleased to provide any other information to the SECP which it may require in this regard.

Thanking You

Muhammad Salahuddin
Chief Executive Officer

cc:
Managing Director,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi

3/3