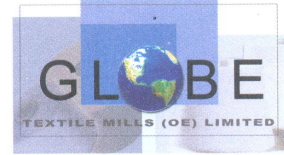


# GLOBE TEXTILE MILLS (OE) LIMITED



October 17, 2016

The General Manager,  
Pakistan Stock Exchange Limited,  
Stock Exchange Road,  
**Karachi.**

SUB; **MATERIAL INFORMATION**

Dear Sir,

In compliance with the requirement of the Securities Act-2015 and Clause 15.19.13 (c) of the Code of Corporate Governance contained in the Rule Book of the Exchange, we would like to inform you that the Board of Directors of the Company in its meeting held on Monday, 17<sup>th</sup> October 2016 with regard to Company Operations has decided as under:

In order to save the Company from accumulation of further losses, the operations of the Mills are being suspended temporarily till further notice. The main reasons for this suspension are as under:-

- 1) Unfavorable market conditions in spinning sector during the period of more than 2 years.
- 2) High Cost of supply of the utilities.
- 3) Acute shortage of Cotton in the country, and high cost factor involved to import the same.
- 4) Shortage of working capital and extreme monetary crunch due to unfavorable selling prices.
- 5) Due to import of coarse yarn from India, the consumption of local products have been reduced tremendously and resultantly the selling prices thereof have adversely been affected.
- 6) Lowest selling price in comparison to high operating expenses, which accumulated losses day to day.

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## GLOBE TEXTILE MILLS (OE) LIMITED



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The aforementioned step of temporary suspension of the operations of the Mills is to find out a suitable solution for revival of the project and to make the same viable if the operations are resumed in future, and therefore, with immediate effect, the entire work force (except the Security, Admin and Head office staff) within the Project premises have been relieved with intention to minimize the operating expenses during the period of suspension of business operation.

We hope that with the cooperation of the financial institutions / banks, the Management would be able to find out a better solution for future prosperity of the said Project which is otherwise very much viable if the aforementioned shortcomings could be over –come properly.

Thanking you,

Yours faithfully,  
For **GLOBE TEXTILE MILLS (OE) LIMITED**

*Humaira Arshad*  
**(HUMAIRA ARSHAD)**  
**COMPANY SECRETARY**

cc: **The Commissioner (Enforcement)**  
**Securities and Exchange**  
Commission of Pakistan,  
7<sup>th</sup> Floor, NIC Building,  
63-Jinnah avenue Road,  
**Islamabad.**