

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive Directors on its Board. At present the Board includes Six independent non-executive Directors, out of Seven Directors.
2. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies including this company.
3. All the resident Directors of the Company are registered as taxpayers in Pakistan and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The casual vacancies occurred in the Board during the year have been filled in.
5. 'Statement of Ethics and Business Practices' has not been drawn up.
6. All the powers of the Board have been duly exercised and decision on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO and Chairman have been taken by the Board.
7. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Board has not started the process of orientation for its Directors to apprise them of their duties and responsibilities.
9. There was no appointment of CFO and head of Internal Audit during the year.
10. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by CEO before approval of the Board.
12. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has not setup an effective internal audit function.
15. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
17. Subject to the above, we confirm that all other material principles contained in the Code have been complied with.

(M. SHAHNAWAZ AGHA)
Principal Officer & Chief Executive

STATEMENT OF COMPLIANCE WITH BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED DECEMBER 31, 2004

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the respective Stock Exchanges where the Company is listed.

Director

M. SHAHNAWAZ AGHA
Principal Officer & Chief Executive

Karachi: 7th June 2005