

WAH NOBEL CHEMICALS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report and the unaudited accounts of your Company for the 1st quarter ended 30th September, 2002.

The continued Indo Pak border tension and Middle East crisis have affected our Company's economy badly and thus our gross sales suffered a set back which have been decreased from Rs.57.406 million to Rs.52.961 million (i.e. 7.75%) during the 1st quarter ended 30th September, 2002. During the 1st quarter the cost of major raw material i.e. Methanol, utilities and services have shown rising trend which is expected to remain consistent in 2nd quarter of the financial year of the company.

However, the Company has earned a pre-tax profit of Rs.6.981 million during the 1st quarter ended 30th September, 2002 against corresponding period's pre-tax profit of Rs.6.535 million.

The Company is implementing its expansion plan which is progressing as per schedule satisfactorily.

The management of the Company looks forward to the next quarter with an expectation of much better performance.

The Directors wish to express their appreciation to the team of dedicated officers and staff/workers who continue to make concerted efforts for the growth of the Company.

On behalf of the Board

WAH CANTT.

Dated : 26.10.2002.

**(SYED KAUKAB MOHYUDDIN)
CHIEF EXECUTIVE**