

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-386

N.O.T.I.C.E

January 27, 2010

HASEEB WAQAS SUGAR MILLS LIMITED

Source: "BUSINESS RECORDER" Dated: January 26, 2010

**HASEEB WAQAS
SUGAR MILLS LIMITED****CLARIFICATION**

The 18th Annual General Meeting of the Haseeb Waqas Sugar Mills Limited was held on 25th January, 2010 at its registered office "6 F, Model Town, Lahore as per the procedures laid down in the Companies Ordinance.

Some of the shareholders, whose shareholding was declared "illegal", after the investigation conducted by the SECP, vide order dated April 17, 2009 under the Substantial Acquisition of Voting Shares and Take Over Law 2002, made malicious public announcement in the Daily Times (Owned by the Acquirers) and Business Recorder asserting that the Management of the company has debarred the substantial shareholders to exercise their rights at AGM. This announcement is completely false and misleading. The SECP has passed the following orders against their shareholding:

"Para 34 Furthermore in the interest of the security market in general and Target Company in particular, I hereby direct the acquirers in terms of the Section 25 of the Take Over Ordinance to divest the shares acquired in violation of the Ordinance. The divestment shall be completed not later than November 30, 2009 to the level that none of the acquirer shall be holding more than 10 % shares individually or collectively in the Target Company. Further subsequent to the divestment the Acquirer shall not acquire shares of the target company for the next three years."

Keeping in view the above orders of SECP, the acquirers were allowed to participate in the 18th Annual General Meetings of the Haseeb Waqas Sugar Mills Limited held on January 25, 2010. The acquirers participated fully in the meeting and voted in the Poll / Election held for approval of accounts and Directors respectively. However, their voting power was restricted according to the orders of the SECP and consequently, in the election, one of their six nominees in the election of the 8 directors of the company Mr. Salman Taseer, the Governor of the Punjab, is elected as director.

The contention of acquirer in the newspapers is baseless and tantamounts to distract the regulators / general public / creditors / bankers dealing with the company and directors. The company and its management reserve their right to take legal course of action against the shareholders who tried to defame us through Public Announcement yesterday.

By Order of the Board
(Muhammad Aitaf Butt)
Company Secretary