

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts concerning the special business given in Agenda No. 3 of the said notice to be considered & discuss at the Extra Ordinary General Meeting of the company to be held on April 26, 2010.

Requisition for Extra Ordinary General Meeting

The requisition dated January 28, 2010 received from Mr. Salmaan Taseer, Governor Punjab and chairman of First Capital Securities Corporation Limited, his sons, and his allied persons having 19.11% shares of the company for calling of an Extra Ordinary General Meeting of the shareholders of the company. The proposed object of the meeting is to consider & approve the following resolution;

- A. "An inquiry be held by SECP and report be presented including necessary records, if available, to all the shareholders in respect of non fixation of number of directors at least 35 days before the election of directors in accordance with the section 178 of the Companies Ordinance, 1984."
- B. "Further that company obtain a clarification from Securities & Exchange Commission of Pakistan in respect of validity of the approval of accounts & holding of election of directors in the Annual General Meeting held on January 25, 2010, especially when substantial shareholders could not be debarred, by the management of company, from exercising their voting right in accordance with the judgment of the Lahore High Court"

Regarding Item 'A', Haseeb Waqas Sugar Mills Limited duly convened Board Meeting held on December 19, 2009 and fixed the number of directors at least 35 days before the election of directors in accordance with the Section 178 of the companies Ordinance, 1984. Therefore, it does not carry any weight.

Regarding Item 'B', SECP has already directed vide order dated April 17, 2009, **Quote** "furthermore in the interest of the security marketing general and target company in particular, I hereby direct the acquirers in terms of the section 25 of takeover ordinance to divest the shares acquired in violation of the ordinance. The disinvestment 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 disinvestment the acquirer shall not acquire shares of the target company for the next three years" **Unquote**

If the illegal acquirer has any grievances they should move to the regulator/ forum or court & must follow the instructions of SECP order & should offload/divest their illegal acquisition.