

**AL-ASIF SUGAR MILLS LIMITED**

Source: "BUSINESS RECORDER" Dated: November 28, 2008

**Public announcement of offer to purchase shares of  
AL-ASIF SUGAR MILL LIMITED**

THIS IS AN OFFER BY HAQ BAHU SUGAR MILL (PVT) LIMITED TO ACQUIRE 4,033,260 SHARES OF AL-ASIF SUGAR MILL LIMITED COMPRISING 27.50% OF THE TOTAL ISSUED SHARE CAPITAL OF AL-ASIF SUGAR MILL LIMITED AT AN OFFER PRICE OF RS 5.00/- PER SHARE PURSUANT TO THE LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF VOTING SHARES AND TAKE-OVERS) ORDINANCE, 2002 (THE "ORDINANCE").

Haq Bahu Sugar Mill (Pvt) limited (Acquirer) does not currently own any shares of Al-Asif Sugar Mill Limited (Target Company or AASML). The Acquirer is offering to acquire by way of Public offer 4,033,260 shares of Rupees 10/- each of AASML (representing 27.50% of paid up capital of AASML) from the share holders on the terms and conditions mentioned below.

**THE ACQUIRER**

Name and Address M/S Haq Bahu Sugar Mills (Pvt) Limited 90-B/3, Canal Park Gulberg II, Lahore Phone: 042-5079443-4  
 Date of Incorporation September 19, 2003  
 Jurisdiction of Incorporation Lahore - Punjab  
 Authorized Capital 70,000,000 shares of Rupees 10/- each  
 Issued Share Capital 61,700,000 shares of Rupees 10/- each  
 Shares Acquired by Share Purchase Agreement The Acquirer has entered into share purchase agreement (SPA) dated June 21, 2008 with AASML for the Purchase of 9,166,500 shares representing 62.50% shares at a purchase price of Rupees 5.00/- each  
 No. of Shares issued since last financial year 41,700,000  
 Detail of Loans and pledge of stocks Rs. 1,477,620,000/- obtained from various banks against mortgage of fixed assets, charge on current assets and Mortgages  
 Financial Advisor of Acquirer BankIslami Pakistan Limited 11th Floor, Executive Tower Dohran City, Marine Drive Block # 4, Clifton, Karachi  
 Brief History and Major Operations of the Acquirer Acquirer is a sugar manufacturing Company with a original crushing capacity of 3,000 Tons per day which has been planned to enhance to 5,500 Tons per day for the crushing season 2008-09. It came into production in the year 2006-07. The Mill started its commercial production from January 2007. Last year was the Acquirer's full crushing season during which acquirer produced, more than 800,000 Bags of sugar at an average yield of 8.24%.

Names and Addresses of the Sponsors  
 1. M/S Macca Sugar Mill (Pvt) Limited, 90-B/3, Canal Park, Gulberg II, Lahore  
 2. Mr. Muhammad Ishaq Butt, 90-B/3, Canal Park, Gulberg II, Lahore  
 3. Mr. Fiaz Qadeer Butt, 90-B/3, Canal Park, Gulberg II, Lahore  
 4. Mr. Azhar Qadeer Butt, 90-B/3, Canal Park, Gulberg II, Lahore

Names and Addresses of Board of Directors  
 1. Mr. Muhammad Ishaq Butt, 90-B/3, Canal Park, Gulberg II, Lahore  
 2. Mr. Fiaz Qadeer Butt, 90-B/3, Canal Park, Gulberg II, Lahore  
 3. Mr. Azhar Qadeer Butt, 90-B/3, Canal Park, Gulberg II, Lahore  
 4. Mr. Fiaz Qadeer Butt, 90-B/3, Canal Park, Gulberg II, Lahore

**Brief Audited Financials**

S. NO.	Particulars	2006-07 (PKR "In Million")
1	Sales	221.72
2	Cost of Sales	225.9
3	Gross Profit:	(4.18)
4	Administrative & Selling Expenses	3.11
5	Operating Profit	(7.29)
6	Financial Charges	21.25
7	Loss before tax	(28.54)
8	Taxation	1.11
9	Profit after tax	(29.65)
10	Depreciation	26.31
11	Profit before depreciation	(3.34)
12	Dividends	NIL
13	Earnings per share	(1.48)
14	Return on Net Worth	(17.41%)
15	Book Value Per Share	8.52

Note 1:-2007-08 Audit is in progress

Note 2: 2006-07 represent the company's first audited accounts since the commencement of commercial operations.

**Details of Public Announcement of intention**

NAMES OF NEWS PAPERS	DATE OF ISSUE	EDITIONS OF NEWS PAPER
1. Business Recorder	October 20, 2008	Lahore and Karachi
2. Daily Express	October 20, 2008	Lahore and Karachi

Target Company Al-Asif Sugar Mill Limited (AASML)  
 Offer Price Rupee 5.00 Per Share  
 Number of Shares 4,033,260 shares representing 27.50% of the total issued share capital of AASML  
 Reasons for Acquisition To geographically diversify the Acquirers interest in the Sugar Manufacturing business.  
 Future Plan for Target Company The plan is to continue as the listed company. The target is to convert it into a profitable entity.

**Details of Share Purchase Agreement**

Acquisition Price per share Rupee 5.00/- per share.  
 No. of shares to be acquired 9,166,500  
 Address of Seller Al-Asif Sugar Mill Limited 7th Floor, Block "A" Finance and Trade Centre Main Shalrah-e- Faisal Karachi  
 Parties to The Agreement Dewan Muhammad Yousaf Farooqui, Dewan Motors (Pvt) Limited And others (as SELLERS) And Macca Sugar Mill (Pvt) Limited, Haq Bahu Sugar Mill (Pvt) Limited and Others (as BUYERS)  
 Date of Agreement June 21, 2008

**OFFER PRICE AND FINANCIAL ARRANGEMENTS:**

**Justification for the offer price**

The consideration for shares public offer to be acquired shall be paid in form of cash at a price of Rupees 5.00/- per share. The Total consideration to be paid for the shares tendered during the public offer is Rupees 20,166,500/-. The shares of Target Company are not frequently traded on stock exchanges.

P/2