

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/317

**NOTICE**

January 22, 2010

Reproduced hereunder letter received from JDW SUGAR MILLS LIMITED for information of members of the Exchange.

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).

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**JDW SUGAR Mills Ltd.**

January 20, 2010

Ref: JDWS/01/10

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| <p>1. The Manager Operations<br/>Central Depository Company<br/>of Pakistan Limited<br/>CDC House, 99-B, Block 'B'<br/>S.M.C.H.S.<br/>Main Shakra-e-Faisal<br/><b>KARACHI</b></p>              | <p>2. The Director Enforcement<br/>Enforcement Division<br/>Securities &amp; Exchange Commission of<br/>Pakistan,<br/>NIC Building, Blue Area<br/><b>ISLAMABAD</b></p> |
| <p>3. The Director Securities Market<br/>Securities Market Enforcement Division<br/>Securities &amp; Exchange Commission of<br/>Pakistan,<br/>NIC Building, Blue Area<br/><b>ISLAMABAD</b></p> | <p>4. The General Manager Corporate Affairs<br/>Karachi Stock Exchange (G.) Limited,<br/>Stock Exchange Building,<br/>Stock Exchange Road,<br/><b>KARACHI</b></p>      |
| <p>5. The General Manager<br/>The Lahore Stock Exchange (G.) Limited<br/>Stock Exchange Building,<br/>Aiwan-e-Iqbal Road,<br/><b>LAHORE</b></p>  | <p>6. The Chief Executive<br/>Corplink (Private) Limited<br/>Wings Arcade, 1-K, Commercial<br/>Model Town<br/><b>LAHORE</b></p>  |

Dear Sirs,

**CANCELLATION OF SHARES ISSUED UNDER  
DEFUNCT EMPLOYEES STOCK OPTION SCHEME**

We are writing with reference to the captioned matter. Pursuant to the defunct Employees Stock Option Scheme (ESOS) 690,000 ordinary shares were issued to Rana Nasim Ahmed (former senior employee of the Company) and 48,300 ordinary shares were issued to Mr. Muhammad Rafique, Company Secretary, details of which is given as per annexure-A. The ESOS had inadvertently not been approved by the Securities & Exchange Commission of Pakistan (SECP) prior to issuance of said shares. After becoming aware of this fact, the Company had applied for post-facto approval of the ESOS, which was declined by SECP. Hence, the shares issued to employees ostensibly under the ESOS have been treated by SECP as shares issued in contravention of Section 86 of the Companies Ordinance, 1984, for which the SECP had also issued show cause notice dated January 9, 2008. Subsequently, SECP has, on November 6, 2009, issued a direction under Section 472 of the Companies Ordinance, 1984 directing the Company to cancel the aforementioned irregularly shares issued under ESOS.

Keeping in view the above circumstance and as per directions of SECP, the board of directors of the company in their meeting duly held on January 8, 2010 have cancelled the aforementioned 738,300 ordinary shares irregularly issued to two senior employees (Rana Nasim Ahmed & Muhammad Rafique) of the company pursuant to the ESOS. Certified copy of board resolution is attached as annexure-B. After cancellation of said shares paid up capital position of the company is as under: