

JDW SUGAR Mills Ltd.

ADDENDUM TO EXPLANATORY STATEMENT

Reference is invited to explanatory statement under Section 160 (1) (b) of the Companies Ordinance, 1984 appended to notice dated July 12, 2010 in respect of the proposed extraordinary general meeting of JDW Sugar Mills Limited (the "Company") to be held at 17-Abid Majeed Road, Lahore Cantt. on 3rd August, 2010 at 9:00 a.m, which has been called to obtain approval of shareholders under Section 208 of the Companies Ordinance, 1984 for authorization of the Company to enter into, sign and perform the Sponsors' Support Agreement (the "SSA") in relation to availment of a long term finance facility of Rs. 1.3 billion by Faruki Pulp Mills Limited ("FPML"), an associated company of the Company, from a syndicate of financial institutions.

The Company has now been provided a draft of the SSA proposed to be executed by, inter alia, the Company. As per the Company's understanding, this draft of SSA is final, but the financial institutions reserve the right to make further changes prior to execution. The draft SSA is available for inspection at the office of the Company Secretary of the Company, 17-Abid Majeed Road, Lahore Cantt., Lahore and may be inspected upto and including the day of the meeting during normal office hours.

Based on the aforementioned final draft of the SSA, the following additional information is also being provided to the shareholders of the Company:

i) Nature, amount and extent of investment:

Equity investment and/or advances, as per SSA.

ii) Financial position of FPML:

Based on the audited financial statements for the financial year ended June 30, 2009, the financial position of FPML appears to be as under:

Particulars	Amount (Rs.)
Paid up capital	: Rs. 716,200,000
General reserves	: Nil
Long term loans	: Rs. 394,060,987
Share Deposit Money	: Rs. 23,500,000
Long term deposits	: Nil
Turnover	: Nil
Accumulated losses	: Rs. (36,634,365)
Surplus on revaluation of fixed assets	: Nil
Net assets	: Rs. 703,065,635
Profit/(loss) after tax	: Rs. (21,954,994)
Current ratio	: .07 : 1