



Husein Sugar Mills Limited

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Ref.No.HSM/CE/KSE/271
 Dated: September 02 2010.

FAXED
 (021) 111-573-329

General Manager,
 Karachi Stock Exchange (Guarantee) Ltd.,
 Stock Exchange Building, Stock Exchange Road,
KARACHI.

Dear Sir,

Re: Right Issue Declaration

Chief financial office presented financial projection of the company and justification of issue of right shares amounting to Rupees 79,000,000. Chairman explained liquidity problem being faced by the company and also highlighted future requirements, tough competition in acquiring sugarcane, etc.

Mian Farrukh Naseem, Mian Aamir Naseem and Mian Shahzad Aslam apposed the proposal as they don't have funds for subscription of right shares and expressed that their shareholding in the company will be reduced.

Various aspects were considered to strengthen the liquidity position of the company, but most economical option to raise share capital through issue of right shares was approved with the majority. However, the Chairperson defers this matter inspite of approving the resolution by the majority for the convenience of dissenting directors. Dissenting directors were requested to reconsider it in the best interest of the company instead of their personal problems.

Final decision for issue of right shares will be taken in the meeting of board of directors to be held during September 2010.

Yours faithfully,
 For HUSEIN SUGAR MILLS LTD.


 COMPANY SECRETARY

Confirmation Copy by mail

