THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-6587 **N O T I C E** **October 15, 2008**

FAZAL TEXTILE MILLS LIMITED

Source: "BUSINESS RECORDER" Dated: October 15, 2008

FAZAL TEXTILE MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 46th Annual General Meeting of the Members of the Fazal Textile Mills Limited will be held at the registered office of the Company located at L-A, 2/B, Block 21, Rashid Minhas Road, Federal "B" Area, Karachi on Tuesday, 28th October 2008 at 11.00 a.m to transact the following business.

Ordinary Business :

1. To confirm the minutes of the 45th Annual General Meeting held on 26th October 2007.
2. To receive consider and adopt the audited Accounts for the year ended June 30, 2008, together with the Directors and Auditors report thereon.
3. To approve cash dividend of Rs 1.50 per share of Rs 10/- each for the year ended 30th June 2008 as recommended by the Board.
4. To appoint Auditors for the year ending 30th June 2008 and to fix their remuneration.
5. To transact any other business with the permission of the Chairman.

Special Business :

6. To consider and approve that a mall/residential towers project ("Project") be constructed on land owned by Fazal Textile Mills Limited ("FTML") namely, plot no. LA-2/B, Block 21, F. B. Area, Rashid Minhas Road, Karachi as well as land owned by., Lucky Textile Mills ("LTM"), namely plot no. LA-2/A, Block 21, F. B. Area, Rashid Minhas Road, Karachi for which an approval may be sought from the City District Government ("CDGK") and any other concerned governmental and other authorities for the amalgamation of both plots (hereinafter referred to as the "Amalgamated Plot") to ensure that the Project may be duly constructed and that any applicable building approval/ permit may be duly granted by CDGK, the Karachi Building Control Authority ("KBCA") and/ or otherwise as may be required and to ensure the legal validity of the aforesaid amalgamation, the approval for amalgamation should inter alia duly reflect the joint undivided shares of ownership of both FTML and LTM in the Amalgamated Plot and that any documentation from the concerned authorities pertaining to the said amalgamation should be duly procured.
7. To consider and approve that all arrangements to construct and develop the Project are conducted on a fair and arms-length basis between FTML and LTM, it is proposed that FTML and LTM enter into a joint venture agreement ("JVA") which will inter alia set out the details and structure of proposed arrangements for the construction and development of the Project, the ratio of investment (if any) of FTML and/or LTM in the Project, the ownership share of the respective parties in the Project, amongst other matters.
8. To consider and approve that under and in terms of the JVA, as may be agreed to between the parties, a private limited company being a special purpose vehicle ("SPV") be set-up and incorporated in the manner as may be deemed necessary for the purposes of the construction, development and maintenance of the Project and to carry out and conduct all formalities relating thereto, which shall include but not be limited to the issuance of leases, sub-leases, allotments, tenancy and other documents and letters as may be required to sell and/or lease units constructed within and forming part of the Project. Any documentation, including powers of attorney which may be required be executed and/or registered by FTML and LTM in favour of the SPV to ensure that above acts and tasks may also be duly concluded by the respective parties.

Statements under section 160 of the Companies Ordinance, 1984 stating all the material facts concerning the special business to be transacted at the Annual General Meeting and the proposed resolutions related thereto are annexed to this notice.

By order of the Board
M. Toufique Yusuf
Company Secretary

Karachi : September 17, 2008

Notes:

1. The share transfer books of the Company will remain closed from October 20, 2008 to October 28, 2008 (both days inclusive).
2. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote for him/her. Proxy forms must be deposited at the registered office of the Company not later than 48 hours before the time of holding the meeting.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account and Participant's I.D numbers to prove his/her identity. A representative of a corporate member of the Company or CDC must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.
4. Members are requested to notify the Company of any change in their addresses immediately.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE 1984

1 CONSTRUCTION OF MALL /RESIDENTIAL TOWERS PROJECT AND AMALGAMATION OF PLOTS.

The Company through its Board Resolution dated June 07, 2007 has already resolved that the production facilities of the Company be shifted to Super Highway, Nooriabad and that the shifting will commence from Oct/Nov 2008. The plot where the present manufacturing and other operating facilities are located, will be vacated and will be available for use. The Company has already converted this plot from industrial to commercial use and has paid all related charges to CDGK in this regard, hence this plot is now available for commercial activity. The management has worked on and considered various options and has finally decided to built a mega mall and luxurious residential towers project on the said plot ("Project"). The design of the Project intended to be built will require about 15 acres of land. The land available as owned by the Company is 10.22 acres. Lucky Textile Mills, an associated concern owns 5.20 acres of land which is adjacent to the said plot and has already been converted from industrial to commercial use for which related charges have been paid and they have allowed their plot to be used for the Project. Since both these plots are separate and have different plot nos, it may be necessary to amalgamate both the plots into a single plot enabling construction of the Project and this will also be beneficial as maximum floor area will be available for use. Accordingly, it is proposed to pass the following resolution to approve the construction of the Project and may amalgamation of the plots.

To consider and approve that a mall/residential towers project ("Project") be constructed on land owned by Fazal Textile Mills Limited ("FTML") namely, plot no. LA-2/B, Block 21, F. B. Area, Rashid Minhas Road, Karachi as well as land owned by , Lucky Textile Mills ("LTM"), namely plot no. LA-2/A, Block 21, F. B. Area, Rashid Minhas Road, Karachi for which an approval may be sought from the City District Government ("CDGK") and any other concerned governmental and other authorities for the amalgamation of both plots (hereinafter referred to as the "Amalgamated Plot") to ensure that the Project may be duly constructed and that any applicable building approval/ permit may be duly granted by CDGK, the Karachi Building Control Authority ("KBCA") and/ or otherwise as may be required and to ensure the legal validity of the aforesaid amalgamation, the approval for amalgamation should inter alia duly reflect the joint undivided shares of ownership of both FTML and LTM in the Amalgamated Plot and that any documentation from the concerned authorities pertaining to the said amalgamation should be duly procured.

2 JOINT VENTURE AGREEMENT

The proposed Project is being built on two plots adjacent to each other, one being owned by a public listed company and other being owned by a registered partnership firm, both being associated concerns of each other. Therefore it is necessary that the arrangement is conducted on a fair and arms-length basis. In this regard, it is proposed that both these companies may enter into a Joint Venture Agreement which shall set out the details and structure of proposed arrangements for construction and development of the Project. Accordingly, it is proposed to pass the following resolution to approve the construction of the Project under a Joint Venture Agreement.

To consider and approve that all arrangements to construct and develop the Project are conducted on a fair and arms-length basis between FTML and LTM, it is proposed that FTML and LTM enter into a joint venture agreement ("JVA") which will inter alia set out the details and structure of proposed arrangements for the construction and development of the Project, the ratio of investment (if any) of FTML and/or LTM in the Project, the ownership share of the respective parties in the Project, amongst other matters.

3 SET-UP OF PRIVATE LIMITED COMPANY BEING A SPECIAL PURPOSE VEHICLE

Since the Project will be considerable both in terms of size and investment, both the abovementioned associated concerns have also agreed to set-up a private limited company for the purpose of construction, development and maintenance of the Project. This private limited company, being a special purpose vehicle will be authorized to carry out the entire activity under the terms of Joint Venture Agreement, as may be agreed between both the parties. Accordingly, it is proposed to pass the following resolution for the setting-up of a private limited company for the purpose of the construction, development and maintenance of the Project.

To consider and approve that under and in terms of the JVA, as may be agreed to between the parties, a private limited company being a special purpose vehicle ("SPV") be set-up and incorporated in the manner as may be deemed necessary for the purposes of the construction, development and maintenance of the Project and to carry out and conduct all formalities relating thereto, which shall