HABIB SUGAR MILLS LIMITED

Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting of Habib Sugar Mills Limited will be held on Tuesday, July 28, 2015 at 11:00 a.m. at Khorshed Mahal, Avari Towers, Fatima Jinnah Road, Karachi to transact the following business:

Special Business

1. To consider and if thought fit, to pass with or without modification(s), the following special resolutions:

   "RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 208 of the Companies Ordinance, 1984 for the acquisition of ordinary shares of Bank AL Habib Limited of Rs. 250 Million, an Associated Company within a period of two years.

   RESOVED FURTHER that the Chief Executive and any one of the directors of the Company be and are hereby jointly authorized and empowered to give effect to above investment and to do or cause to be done all acts, deeds things that may be necessary or required."

Statement under Section 160(1)(b) of the Company Ordinance, 1984 with respect to the special business of the Agenda is being sent to the members along with a copy of this notice.

By order of the Board

Amir Bashir Ahmed
Company Secretary

Karachi: July 07, 2015

Notes:

1. The Share Transfer Books of the Company will remain closed from Friday, July 17, 2015 to Tuesday, July 28, 2015, both days inclusive.

2. A member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed at least 48 hours before the time of meeting.

3. For identification, shareholders are requested to present Computerized National Identity Card (CNIC) and CDC account holders should present the participant's ID number and CDC account number.

4. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar, THK Associates (Pvt.) Limited, Karachi.

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

The statement is annexed to the Notice of the Extraordinary General Meeting of the Company to be held on July 28, 2015 at which special business is to be transacted. The purpose of the statement is to set forth material facts concerning the special business.

ITEM NUMBER 1 OF THE AGENDA

As recommended by the Board of Directors in their meeting held on May 27, 2015, it is proposed to make investment in shares of Bank AL Habib Limited, an Associated Company. In this regard the Company seeks the approval of the shareholders under section 208 of the Companies Ordinance, 1984.

In compliance with Regulations of Companies (Investment in Associated Companies or Associated undertakings) Regulations, 2012, the following information is annexed with the notice for approval of acquisition of the ordinary shares of Bank AL Habib Limited, an Associated Company.

Regulation No. 3(1)a

Sr. No.	Description	Information Required
1.	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established.	Bank AL Habib Limited is an associated compay on the basis of common directorship. Mr. Ali Raza D. Habib and Mr. Murtaza H. Habib, Directors of the Company are also Directors of Bank AL Habib Limited.
2.	Purpose, benefits and period of investment.	Long term investment to earn dividend income as well as prospective capital gains.
3.	Maximum amount of investment.	Rs. 250 million
4.	Maximum price at which securities will be acquired.	Not more then the price quoted on the stock exchange on the date of acquisition of shares.
5.	Maximum number of securities to be acquired	Equivalent to the amount approved for investment.
6.	Number of securities and percentage thereof held before and after the proposed investment	18,486,691 shares (1.66%) held before proposed investment. Number of shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares.
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the securities intended to be acquired.	Rs. 48.66 per share.
8.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Not Applicable.
9.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	December 31, 2014 : 29.36
10.	Earnings per share of the associated company or associated undertaking for the last three years.	2014 : Rs. 5.71 per share 2013 : Rs. 5.10 per share 2012 : Rs. 5.39 per share

Sr. No.	Description	Information Required
11.	Sources of fund from which securities will be acquired.	Own Source
12.	Where the securities are intended to be acquired using borrowed funds: i) Justification for investment through borrowings; and ii) Details of guarantees and assets pledged for obtaining such funds.	Not Applicable
13.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	Not Applicable
14.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	No Director has any interest in the proposed investment, except in their individual capacities as Director / shareholders of the Company.
15.	Any other important details necessary for the members to understand the transaction.	None
16.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely: i. Description of the project and its history since conceptualization; ii. Starting and expected dates of completion of work; iii. Time by which such project shall become commercially operational; and iv. Expected time by which the project shall start paying return on investment.	Not Applicable

Regulation No. 3(3)

Sr. No.	Description	Information Required
	The directors of the investing company while presenting the special resolution for making investment in its associated company or associated undertaking shall submit an undertaking to the members of the investing company that they have carried out necessary due diligence for proposed investment.	The Directors of the Company submit that they have carried out necessary due diligence for the proposed investment in shares of Bank AL Habib Ltd.

Copies of the latest audited annual financial statements of Bank AL Habib Limited will be available for inspection of the members during the Extraordinary General Meeting.