



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

## (a) Capitalization out of the company's unappropriated profit/reserves - Item # 4

This statement sets out the material facts concerning "Special Business" to be transacted at the 57th Annual General Meeting of the Company to be held on Friday, April 23, 2010.

The Directors of the Company are of the view that the Company's financial position justifies the capitalization of a sum of Rs.131,829,510 out of the Company's unappropriated profits/reserves enabling the issuance of 13,182,951 fully paid bonus shares of Rs.10 each. These shares shall be issued to those Members whose names appear in the Register of Members at the close of business on April 15, 2010. The bonus shares shall be issued in the proportion of 1 (One) share for every 5 (Five) shares held by a Member. After the issuance of these bonus shares, the paid up capital of the Company would increase from Rs.659,147,560 to Rs.790,977,070. Accordingly, it is proposed to pass the following resolutions, namely:

RESOLVED THAT a sum of Rs.131,829,510 out of the unappropriated profits/reserves of the Company be capitalized and applied for the issue of 13,182,951 ordinary shares of Rs.10 each and that the said shares be allotted as fully paid bonus shares to those Members of the Company whose names appear in the Register of Members of the Company as at the close of business on April 15, 2010 in the proportion of 1 (One) bonus share for every 5 (Five) shares held by the entitled Members, and that such bonus shares shall rank pari passu as regards future dividends and in all other respects with the existing ordinary shares of the Company.

RESOLVED FURTHER THAT in the event of any Member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the net proceeds thereof to a charitable organization designated by the Directors.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Managing Director be and is hereby authorized to take all necessary actions and do all acts, deeds and things and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said bonus shares as he thinks fit.

The Directors of the Company are not directly or indirectly, personally interested in this business except to the extent of their respective shareholdings in the Company.

## (b) Status of previous approvals for investments in associated companies

As required under the SRO No. 865(1)/2000 dated 6 December, 2000, the status of the following investments in associated companies against approvals obtained by the Company in Extraordinary General Meeting of January 04, 2008 is as under:

### (i) International Industries Limited

As regards the approval granted by the shareholders in respect of investment of Rs.200 million in the ordinary shares of the above company, against which the company has only invested a sum of Rs.0.20 million due to the extreme volatility which prevailed in the Stock market from June 2008 up to the 3rd quarter of 2009 as well as the economic recession in the country during the same period. The economic situation now shows signs of recovery and the Stock market also appears to have stabilized. The company will consider making further investment at a suitable time.

### (ii) Habib Bank Limited

As regards the approval granted by the shareholders in respect of investment of Rs.200 million, the Company has to date invested Rs.180.86 million. The company will consider making further investment at a suitable time.

Up to date financial position of the respective investee companies are as under:

Name of the Investee company	Average market price of the shares intended to be purchased during preceeding six months (Oct. 2009 to March 2010)	Break up value of shares intended to be purchased on the basis of last published financial statements	Basic earning per share of investee company in the last three years	
			2007	2008
International Industries Limited	Rs. 61.36	Rs. 42.40	2007	Rs.10.80
			2008	Rs. 8.50
			2009	Rs. 3.80
			2010 (HY)	Rs. 4.23
Habib Bank limited	Rs. 122.99	Rs. 86.84	2007	Rs. 11.65
			2008	Rs. 13.18
			2009	Rs. 13.50