



PAKISTAN STOCK EXCHANGE LIMITED
Stock Exchange Building, Stock Exchange Road, Karachi-
74000
UAN: 111-001-122

PSX/N-194

NOTICE

February 13, 2020

Seeking Public Comments on the Revised Draft Prospectus of Air Link Communication Limited

Further to our Notice No. PSX/N-152 dated February 3, 2020.

It is hereby informed to all concerned that the Consultant to the Issue of **Air Link Communication Limited** (the Issuer) has incorporated some changes in the Draft Prospectus of the Issuer.

In view thereof, the Revised Draft Prospectus of the Issuer is being placed again on the Website of the Exchange under caption "**Public Comments on the Revised Draft Prospectus of Air Link Communication Limited**" for seeking public comments as required under PSX Regulation No. 5.2.1(e) and Regulation 3 (11) of the Public Offering Regulations, 2017.

All concerned are requested to provide their written comments on the Revised Draft Prospectus, if any, to the Listing Department by emailing at comments.draftprospectus@psx.com.pk latest by **February 21, 2020**.

Asmaa Saleem Malik

Asmaa Saleem Malik

General Manager – Listing Department

Copy to:

Joint Director / HOD, PMADD, SMD - SECP

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT PART 5** BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT PART 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION, EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THE PUBLIC OFFERING REGULATIONS, 2017 (THE 'PO REGULATIONS'). A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE IF ANY, UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



AIR LINK COMMUNICATION LIMITED PROSPECTUS

Incorporation Date and Place: January 2, 2014 in Lahore. | **Registration Number:** 0086378 | **Registered Address:** LG-2, Al – Qadeer Heights, 1 – Babar Block, New Garden Town, Lahore. | **Contact Person:** Mr. Amer Latif – Company Secretary | **Website:** www.airlinkcommunication.net | **Email:** info@airlinkcommunication.net | **Telephone:** (+42) 35844063-4

The Issue comprises of 90,000,000 Ordinary Shares constituting both New Issue (60,000,000 Ordinary Shares) and Offer for Sale (30,000,000 Ordinary Shares) of the face value of PKR 10.00/- each which constitutes 25.0% of the total post-IPO paid-up capital of Air Link Communication Limited excluding mandatory conversion of TFCs amounting to PKR 400 million as mentioned under section 11.1.1.

The entire issue will be offered through Book Building at a Floor Price of PKR 56.00/- per share (including a premium of PKR 46.00/- per share) with a maximum price band of up to 40%. (Justification of premium is given under "Valuation Section" in section 4.2)

The Issue will be listed on the Pakistan Stock Exchange and is being made through the Book Building process at a Floor Price of PKR 56.00/- per share (including a premium of PKR 46.00/- per share) with an upper limit of 40% above the floor price. The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed excluding mandatory conversion as mentioned under section 11.1.1.

However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the issue size i.e. 67,500,000 shares and the remaining twenty five percent (25%) i.e. 22,500,000 shares shall be offered to the retail investors. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.

As per the PO Regulations, the Draft Prospectus was placed on PSX's website for seeking public comments for seven (7) working days starting from [Month] [Date], 2020 to [Month] [Date], 2020. The comments received have been duly incorporated / responded by the Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on DD/MM/2020 and will close at 3:00 pm on DD/MM/2020

BIDDING PERIOD DATES: From DD/MM/2020 to DD/MM/2020 (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From DD/MM/2020 to DD/MM/2020 (both days inclusive) From: 9:00 am to 5:00 pm

CONSULTANT TO THE ISSUE AND BOOK RUNNER



SHARIAH ADVISOR

Mufti Asad Mahmood

BANKER TO THE BOOK BUILDING PORTION OF THE ISSUE: JS BANK LIMITED

BANKERS TO THE RETAIL PORTION OF THE ISSUE

United Bank Limited*
Faysal Bank

JS Bank
Bank Al Habib

Bank Alfalah*
Meezan Bank

Dubai Islamic Bank
Soneri Bank

MCB Bank Limited
Habib Metropolitan Bank

* In order to facilitate investors, United Bank Limited ("UBL") and Bank Alfalah ("BAFL") are offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>. BAFL account holders can use BAFL Net Banking to submit their applications via link <https://netbanking.bankalfalah.com>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on DD/MM/2020.

The Central Depository Company of Pakistan ("CDC") in collaboration with 1 Link (G) Limited (1 Link) has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities Issued through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link www.cdceipo.com. Payment of subscription money can be made through 1Link's member banks available for CES, list of which is available on above web link.

Investors who have valid Computerized National Identity Card (CNIC), bank account with any commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com. CES is connected to a number of banks through 1 Link for payment of the subscription money. For further details on CES, please refer section 13.2 of this Prospectus or contact Mr. Farooq Ahmed Butt at Phone: 021-111-111-500 Ext: 4220 and email: farooq_butt@cdcpak.com.

BOOK BUILDING PORTION UNDERWRITTEN BY:



For investor education please visit www.jamapunji.pk and read the IPO Investor Guide placed at web link <https://www.secp.gov.pk/document/initial-public-offering-ipo-a-concise-guide-forinvestors/?wpdmdl=29584> Jama Punji is an investor education initiative of SECP

Date of Publication of this Prospectus: DD MM, 2020

Prospectus and Subscription Forms can be downloaded from the following websites:
www.airlinkcommunication.net, www.jsqcl.com and www.cdceipo.com

For further queries you may contact:

Air Link Communication Limited: Mr. Nusrat Mahmood / Mr. Imran Ali Kazmi; P: (42) 35844063-4 Ext 141,137;

E-mail: nusrat@airlinkcommunication.net / imran.kazmi@airlinkcommunication.net

JS Global Capital Limited: Mr. Badr Siddiqui / Mr. Zeeshan Abid Siddiqui; P: (21) 3889 3069;

E-mail: badr.siddiqui@js.com / jsinvestmentbanking@js.com

For Shariah Compliance Certificate please refer to section 6.1

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND OFFEROR

Date: **January, 06, 2020**

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

We, the Chief Executive Officer and Chief Financial Officer of Air Link Communication Limited, certify that:

1. **THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;**
2. **THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;**
3. **THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;**
4. **THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND**
5. **ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED; AND**
6. **NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.**

For and on behalf of **Air Link Communication Limited and Offeror**

-sd-

Mr. Muzaffar Hayat Piracha
Chief Executive Officer / Offeror

-sd-

Mr. Nusrat Mahmood
Chief Financial Officer

Note: This Supplement shall be published within three (3) working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of Air Link Communication Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to Public Offering Regulations, 2017 and in continuation of the Prospectus of Air Link Communication Limited earlier published on **DD/MM/2020**

Air Link Communication Limited

- FLOOR PRICE: PKR 56.00/- PER SHARE
- STRIKE PRICE: **PKR [•]/- PER SHARE**
- ISSUE PRICE: **PKR [•]/- PER SHARE**
- PRICE BAND (MAXIMUM 40%): PKR 78.40/- PER SHARE

Note: Since this Issue is being made through 100% book building with 25% allocation to retail investors, underwriting of the retail portion is not required. In case the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

Category-wise Breakup of Successful Bidders

| S. No. | Category | No. of Bidders | No. of Shares Provisionally Allotted |
|---------------|--------------------------------------|-----------------------|---|
| 1. | Commercial Banks | • | • |
| 2. | Development Financial Institutions | • | • |
| 3. | Mutual Funds | • | • |
| 4. | Insurance Companies | • | • |
| 5. | Investment Banks | • | • |
| 6. | Employees' Provident / Pension Funds | • | • |
| 7. | Leasing Companies | • | • |
| 8. | Modarabas | • | • |
| 9. | Securities Brokers | • | • |
| 10. | Foreign Institutional Investors | • | • |
| 11. | Any other Institutional Investors | • | • |
| | Institutional Investors | • | • |
| 12. | Individual Investors: | | |
| | Foreign Investors | • | • |
| | Local | • | • |
| | Individual Investors | • | • |
| | TOTAL | • | • |

GLOSSARY OF TECHNICAL TERMS

| | |
|--|---|
| Bn | Billion |
| BR | Book Runner |
| BVPS | Book Value Per Share |
| CAGR | Compounded Annual Growth Rate |
| CDA | Central Depositories Act, 1997 |
| CDC Regulations | Central Depository Company of Pakistan Limited Regulations, |
| CDCPL / CDC | The Central Depository Company of Pakistan Limited |
| CDS | Central Depository System |
| CES | Centralized E-IPO System |
| CGT | Capital Gain Tax |
| CNIC | Computerized National Identity Card |
| COI | Certificate of Incorporation |
| Collection Bank (Book Building) | JS Bank Limited |
| Company / Air Link | Air Link Communication Limited |
| CRO | Companies Registration Office, Lahore |
| CVT | Capital Value Tax |
| EBITDA | Earnings Before Interest, Tax, Depreciation & Amortization |
| e-IPO | Electronic IPO |
| EPS | Earnings Per Share |
| FBR | Federal Board of Revenue |
| FED | Federal Excise Duty |
| GDP | Gross Domestic Product |
| GOP | Government of Pakistan |
| IAS | International Accounting Standards |
| IPO | Initial Public Offering |
| ITO | Income Tax Ordinance, 2001 |
| JSGCL | JS Global Capital Limited |
| LC | Letter of Credit |
| LTM | Latest Twelve Months |
| Mn | Million |
| MP | Mercantile Pacific Asia Pte. Ltd (Apple Authorized Distributor for Pakistan) based in Singapore |
| NICOP | National Identity Card for Overseas Pakistanis |
| NOC | No Objection Certificate |
| PKR / Rs. | Pakistan Rupee(s) |
| PST | Punjab Sales Tax |
| PSX / Exchange | Pakistan Stock Exchange Limited |
| PO Regulations | Public Offering Regulations, 2017 |
| ROA | Return on Assets |
| ROE | Return on Equity |
| SAP | Systems, Applications and Products |
| SCRA | Special Convertible Rupee Accounts |

| | |
|--------------------------|--|
| SECP / Commission | Securities and Exchange Commission of Pakistan |
| SST | Sindh Sales Tax |
| TFCs | Term Finance Certificates |
| TREC | Trading Right Entitlement Certificate |
| UIN | Unique Identification Number |
| USD | United States Dollar(s) |
| WHT | Withholding Tax |

DEFINITIONS

| | |
|------------------------------------|--|
| Application Money | In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted. |
| Banker to the Book Building | Means any bank(s) licensed by the Commission with whom an account is opened and maintained by the Issuer for keeping the bid amount. JS Bank Limited has been appointed, in this IPO, as the Banker to the Book Building. |
| Bid | Means an intention to buy a specified number of securities at a specified price. |
| Bid Amount or Bid Money | The amount equal to the product of the number of shares Bid for and the Bid price. |
| Bid Collection Centre | Designated offices of the Book Runner, specified branches of the Banker to the Book Building and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in section 12.6 of this Prospectus. |
| Bid Price | The price at which bid is made for a specified number of shares. |
| Bid Revision | The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with regulation 10(2)(iii) of the PO Regulations. As per the Regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid volume may be adjusted ensuring that the bid amount or bid money remains the same. As per Regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids. |
| Bidder | Any Eligible Investor who makes a Bid for shares in the Book Building Process. |
| Bidding Form | The form prepared by the Issuer for the purpose of making bids. |
| Bidding Period | The period during which bids for subscription of shares are received. The Bidding Period shall be of two days, from DD/MM/2020 to DD/MM/2020 both days inclusive (daily from 9:00 a.m. to 5:00 p.m.). |
| Book Building | A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels. |
| Book Building Account | An account opened by the Issuer with the Collection Bank(s). The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in section 12.15 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under the Book Building. |
| Book Building Portion | The part of the total Issue allocated for subscription through Book Building. |
| Book Building System | An online electronic system operated by the Designated Institution for conducting Book Building. For this Issue Book Building System of PSX is being used. |

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|--------------------------------|---|
| Book Runner | A securities broker or a scheduled bank which holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer. JS Global Capital Limited has been appointed as Book Runner for this Issue. |
| Collection Bank | JS Bank Limited is the collection bank for the Book Building Portion. For this purpose, JS Bank Limited has opened an account titled “Air Link Communication Limited – Book Building”, Number [●] at its Circular Road Branch, Lahore. The Collection Bank shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Consultants to the Issue, after obtaining NOC from PSX, may request in writing to the Collection Bank for transfer of the money of successful and accepted Bids and applications to the Issuer’s account(s). |
| Companies Act | Companies Act, 2017 |
| Company | Air Link Communication Limited (the “Company” or “Air Link”) |
| Company’s Legal Advisor | Hasham Wathra & Associates |
| Commission | Securities & Exchange Commission of Pakistan (“SECP”). |
| Consolidated Bids | A bid which is fully or partially beneficially owned by persons other than the one named therein. |
| Consultant to the Issue | Any person licensed by the Commission to act as a Consultant to the Issue under the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017. JS Global Capital Limited has been appointed as Consultant to the Issue by the Issuer for this Issue. |
| Designated Institution | Includes securities exchange, central depository or clearing house approved by the Commission to provide system for conduction of Book Building. Pakistan Stock Exchange Limited (“PSX”) will act as the Designated Institution for this Issue. |
| Dutch Auction Method | The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed. |
| e-IPO | e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs: (i) Centralized e-IPO System (CES): The Central Depository Company of Pakistan Limited (CDC) has developed a Centralized e-IPO System (CES) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES, list of which is available on above website. |

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt at Phone: 021-111-111-500 Ext: 4220 and email: farooq_butt@cdcpak.com

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on **DD/MM/2020**.

For further detail on CES, please refer to section 13.2

(ii) e-IPO facilities by Bankers to the Issue:

Currently, United Bank Limited (UBL) and Bank Alfalah (BAFL) are providing e-IPO facilities to their respective account holders.

UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> and

BAFL account holders can use BAFL Net Banking to submit their application via link: <https://ib.bankalfalah.com.pk>

Account holders of UBL or BAFL can submit their applications through the above-mentioned links 24 hours a day during the subscription period which will close at midnight on **DD/MM/2020.**

Eligible Investor

An Individual and Institutional Investor whose Bid Amount is not less than the Minimum Bid Size of PKR 2,000,000 (Rupees Two Million only).

Floor Price

The minimum price set by the Issuer in consultation with the Consultant to the Issue. For this Issue, the Floor Price is PKR 56/- per share.

General Public

All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.

Institutional Investors

Institutional Investors means any of the following entities:

- I. A financial institution;
- II. A company as defined in the Companies Act 2017;
- III. An insurance company established under the Insurance Ordinance, 2000;
- IV. A securities broker;
- V. A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- VI. A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;

| | |
|---|---|
| <p>VII. A private fund established under Private Fund Regulations, 2015;</p> <p>VIII. Any employee’s fund established for benefit of employees;</p> <p>IX. Any other fund established under any special enactment; and</p> <p>X. A foreign company or any other foreign legal person; and</p> <p>XI. Any other entity as specified by the Commission.</p> | |
| Issue | <p>New Issue (60,000,000 ordinary shares) and Offer for Sale (30,000,000 ordinary shares) for Sale of 90,000,000 Ordinary Shares representing 25.0% of the total paid-up capital of the Company (excluding mandatory conversion of TFCs amounting to PKR 400 million as mentioned under section 11.1.1) having a face value of PKR 10.00/- each.</p> <p>The entire issue will be offered through Book Building at a Floor Price of PKR 56.00/- per share.</p> <p>Provisionally, 75% of the issue size or 67,500,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue or 22,500,000 Ordinary Shares will be offered to Retail Investors at the Strike Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p> |
| Issue/Offer Price | The price at which Ordinary Shares of the Company are issued/offered to the Eligible Investors / General Public. In this Issue, the Issue/Offer Price will be the Strike Price. |
| Issuer | Air Link Communication Limited (the “Company” or “Air Link”) |
| Key Employees | Chief Executive Officer, Directors, Chief Financial Officer & Company Secretary of Air Link Communication Limited. |
| Limit Bid | The Bid at a Limit Price. |
| Limit Price | The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building. |
| Listing Regulation | Chapter 5 of the Pakistan Stock Exchange Rule Book, titled ‘Listing of Companies and Securities Regulation’. |
| Margin Money | The partial or total amount, as the case may be, paid by a bidder at the time of registering as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by the Individual Investors and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by the Institutional Investors, provided that the book runner may waive this margin requirement for institutional investors at its own discretion. |
| Minimum Bid Size | The Bid amount equal to Two Million Rupees (PKR 2,000,000/-). |
| Ordinary Shares | Ordinary Shares of Air Link Communication Limited having face value of PKR 10.00/- each. |
| Price Band | Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band. |
| PO Regulations | The Public Offering Regulations, 2017. |
| Prospectus | Prospectus includes any document, notice, circular, material, advertisement, Prospectus, offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company. |

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|-------------------------------------|---|
| Registration Form | The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process. |
| Registration Period | The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period from DD/MM/2020 to DD/MM/2020 from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period. |
| Related Employees | Such employees of the Issuer, the Consultant to the Issue, the Book Runner, and the Underwriters who are directly involved in the Issue. Please refer to section 3.17.3 and 3.17.4 for further details. |
| Securities Act | Securities Act, 2015 |
| Shariah Advisor | An individual, a Limited Liability Partnership (LLP) or a company who/that meets the fit and proper standards specified by the Commission. |
| Shariah Certificate | A Shariah pronouncement, a fatwa or Shariah opinion signed by Shariah Advisor in such form and manner as notified by the Commission from time to time. |
| Sponsor | <p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the Company directly or indirectly;</p> <p>A person who replaces the person referred above; and</p> <p>A person or group of persons who has control of the Company whether directly or indirectly.</p> |
| Step Bid | Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step bid will not be less than Rupees Two Million (PKR 2,000,000/-). |
| Strike Price | Means the price per share determined on the basis of Book Building process. |
| Supplement to the Prospectus | Within three working days of the closing of the Bidding Period, the Consultant to the Issue shall publish all supplement to the prospectus in those newspapers in which the prospectus was earlier published and also disseminate the same to the securities exchange, banker to an issue and underwriter. |
| System | An online electronic system provided and operated by the Designated Institution for conducting Book Building. |

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1 APPROVALS, CONSENTS AND LISTING ON THE SECURITIES EXCHANGE

1.1 APPROVAL OF THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities and Exchange Commission of Pakistan (“SECP” or the “Commission”) under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof has been obtained by Air Link Communication Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the “Prospectus”) vide their letter no. [•] dated [DD/MM/2020].

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

1.2 APPROVAL OF PROSPECTUS BY THE SECURITIES EXCHANGE

This Prospectus has been approved by the Securities Exchange (“PSX”) vide its letter no. [•] dated [•] in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

THE SECURITIES EXCHANGE HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY THE SECURITIES EXCHANGE.

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IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

THE SECURITIES EXCHANGE DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND/OR MISTAKES, FOR DECISIONS AND/OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

THE SECURITIES EXCHANGE NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.3 FILING OF DOCUMENTS AND LISTING AT PAKISTAN STOCK EXCHANGE

Prospectus and other documents like expert's reports and contracts mentioned in the Prospectus have been filed with the registrar of companies and an application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said period, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and the Issuer will refund any Application Money received to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act, 2017.

If any such money is not repaid within eight (08) days after the Issuer becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale of up to PKR 100 million and per day penalty of Rs. 500,000 during which the default continues, as defined in Section 479 of the Companies Act, 2017 in accordance with the provisions of sub-Section (2) of Section 69 of the same.

As required under sub-Section (3) of Section 69 of the Companies Act, 2017, the Application Money including the Bid Money, in case of book building, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Company may become liable to repay it under sub-Section (2) of Section 69 of the Companies Act, 2017; and, if default is made in complying with the said sub-Section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale of up to PKR 500,000 and per day penalty of Rs. 10,000 during which the default continues, as defined in Section 479 of the Companies Act, 2017.

1.4 CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER AND OFFEROR

Date: January 06, 2020

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

We, being the Chief Executive Officer and Chief Financial Officer of the Issuer, accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed this Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intentions expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and behalf of **Air Link Communication Limited**

-sd-

Mr. Muzzaffar Hayat Piracha
Chief Executive Officer / Offeror

-sd-

Mr. Nusrat Mahmood
Chief Financial Officer

2 SUMMARY OF THE PROSPECTUS

2.1 CORE BUSINESS OPERATIONS

Air Link Communication Limited operates in the communications equipment sector and is one of the leading distributors of mobile phone devices in Pakistan with a market share of around 20-25% according to data regarding import of mobile phones (Source: Pakistan Customs). The Company has entered into distribution agreements with leading mobile phone manufacturers namely, Samsung, Huawei, TCL, Tecno, Itel and entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan. The Company currently operates three flagship retail outlets, two in Karachi and one in Lahore. The Company has a country wide distribution network consisting 16 regional hubs linked to 1,000+ wholesalers and 4,000+ retailers to facilitate nationwide sales of mobile phones and accessories.

2.2 SHAREHOLDING

| Name of Shareholders | Pre-issue* | | Post-issue* | |
|---------------------------------|--------------------|------------------|--------------------|------------------|
| | Shares | Shareholding (%) | Shares | Shareholding (%) |
| Sponsors | | | | |
| Muzzaffar Hayat Piracha | 121,799,757 | 40.6% | 91,799,757 | 25.5% |
| Yasir Hayat Piracha | 89,100,000 | 29.7% | 89,100,000 | 24.8% |
| Naila Piracha | 18,900,000 | 6.3% | 18,900,000 | 5.3% |
| Roshanay Piracha | 18,900,000 | 6.3% | 18,900,000 | 5.3% |
| Sania Piracha | 18,900,000 | 6.3% | 18,900,000 | 5.3% |
| Mishaal Piracha | 18,900,000 | 6.3% | 18,900,000 | 5.3% |
| Saleha Basit | 13,500,000 | 4.5% | 13,500,000 | 3.8% |
| Other Directors | | | | |
| Aslam Hayat Piracha | 120 | 0.0% | 120 | 0.0% |
| Rabiya Muzzaffar | 120 | 0.0% | 120 | 0.0% |
| Sharique Azim | 1 | 0.0% | 1 | 0.0% |
| Hussain Kuli Khan | 1 | 0.0% | 1 | 0.0% |
| Aqduş Faraz | 1 | 0.0% | 1 | 0.0% |
| Free Float | | | | |
| New Issue – General Public | - | 0.0% | 60,000,000 | 16.7% |
| Offer for Sale – General Public | - | 0.0% | 30,000,000 | 8.3% |
| Total | 300,000,000 | 100% | 360,000,000 | 100% |

*Excludes conversion of TFCs as mentioned under section 11.1.1.

2.3 SALIENT FEATURES OF THE ISSUE

- Air Link Communication Limited (“Air Link” or “The Company”) intends to issue 60,000,000 new shares and Mr. Muzzaffar Hayat Piracha intends to offer 30,000,000 of his shares to the public simultaneously.
- The transaction structure will be hybrid in nature constituting both, an offer for sale and a new issue.
- The shares offered and issued will represent 25.0% (90 million shares) of the Post – Issue total Paid-up Capital of Air Link.
- The shares will be issued through 100% Book Building. Successful bidders will be provisionally allocated 75% of the issue size (67.5 million shares) and 25% of the total transaction (22.5 million shares) will be issued to the general public. Any unsubscribed shares from the general public portion will be allotted to successful bidders on a pro rata basis.

2.4 PRINCIPAL PURPOSE OF THE ISSUE AND UTILIZATION OF PROCEEDS

The proceeds will be utilized to establish additional retail outlets and inject working capital for further expansion of its distribution and retail network in more cities of Pakistan. Please refer to section 4.1 for details.

2.5 VALUATION

Ordinary shares will be issued/offered at a floor price of **PKR 56.00/-** per share so as to raise **PKR 5,040** million through this IPO. The new issue will amount to **PKR 3,360** million. Please refer to section 4.2.

2.6 QUALIFIED OPINION BY AUDITORS

No qualified opinion by auditors was given on the financial statements of the Company during the last three financial years.

2.7 SUMMARY OF FINANCIAL HIGHLIGHTS

| Amount in PKR '000 | FY17 (Audited) | FY18 (Audited) | FY19 (Audited) |
|---------------------------------------|----------------|----------------|----------------|
| Share Capital | 500,000 | 1,000,000 | 2,500,000 |
| Net Worth (Total Equity) | 2,124,282 | 2,656,297 | 3,140,934 |
| Revenue | 13,274,903 | 24,151,333 | 29,785,527 |
| Gross Margin | 13.8% | 13.0% | 13.4% |
| Operating Margin | 11.0% | 10.9% | 10.9% |
| Profit After Tax | 674,310 | 1,233,868 | 1,479,859 |
| Profit After Tax Margin | 5.1% | 5.1% | 5.0% |
| Earnings Per Share (PKR) | N/A | N/A | 6.24 |
| Breakup Value Per Share (PKR) | N/A | N/A | 12.30 |
| Total borrowings as per balance sheet | 2,046,108 | 4,241,604 | 7,839,508 |
| Total Debt to Equity Ratio | 0.96 | 1.60 | 2.50 |
| Total Debt to Assets Ratio* | 0.35 | 0.42 | 0.52 |
| Current Ratio* | 1.56 | 1.34 | 1.33 |
| Cash flow from operations | (1,406,221) | (175,333) | (2,827,449) |

* The Company has to open a letter of credit / import contract via financing from banks in accordance with SBP requirement against which a receivable, i.e. margin against letter of credit, is booked. As a result, Debt to Assets Ratio along with Current Ratio more accurately reflects the Company's debt exposure as compared to the Debt to Equity Ratio.

Detailed financial information has been disclosed in section 6.5.

2.8 OUTSTANDING LEGAL PROCEEDINGS

All the outstanding legal proceedings of the Issuer have been disclosed in section 8.1. Further, there are no outstanding legal proceeding other than the normal course of business involving the Issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

2.9 RISK FACTORS

A detailed description of risk factors is given in section 5.

2.10 RELATED PARTY TRANSACTIONS

There were no related party transactions of the Issuer during last three years as disclosed in section 11.2.

3 OVERVIEW, HISTORY AND PROSPECTUS

3.1 BACKGROUND AND HISTORY

Air Link Communication registered itself as an Association of Partners and commenced operations when it introduced Pakistan's First 3G-enabled Dual-Mode (GSM + EVDO) Android Tablet and First 3G-enabled (GSM + EVDO) Android Smartphone in partnership with PTCL in 2010. Air Link Communication Limited (the "Company") was incorporated on January 2, 2014 to take over the existing business of import, export distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile / smartphones, tablets, laptops, accessories and allied products being run by Air Link Communication (the AOP) by taking over all assets and liabilities, which were eventually completed via Acquisition Agreement dated July 1, 2018. Subsequently, the Company was converted into a public limited Company with effect from April 24, 2019. The company's registration number is 0086378.

3.1.1 Company Overview

Air Link Communication Limited is a leading distributor of mobile phones having a strong presence in Pakistan with service centers across the country. Air Link is an "importer-cum-distributor" of Huawei, Samsung mobile phones & accessories in Pakistan having around 20-25% market share of total mobile phone business according to Customs Import Data.. The Company was awarded "Platinum National Distributor" and "Sustainable Channel Growth Partner" by Huawei. The Company has a country wide distribution network consisting 16 regional hubs linked to 1,000+ wholesalers and 4,000+ retailers for selling of mobile phones and accessories across Pakistan. Air Link currently operates three flagship retail outlets, two in Karachi and one in Lahore.

The Company's revenue grew exceptionally from PKR 2,347 million in FY14 to PKR 29,786 million in FY19 depicting a remarkable 5-Year CAGR of 66% (Refer to section 4.2.1). The current management of Air Link is highly experienced and most of the team has been associated with the company for a number of years (Refer to section 7.3 and 7.4). Corporate Governance and management systems of the company are in line with international best practices. This is evident from the fact that the company employs SAP for its management information system, and its financial statements are audited by EY Ford Rhodes, Chartered Accountants, member firm of Ernst & Young in Pakistan. Additionally, Air Link Communication was declared top tax payer (in AOP category) for the tax year 2018 in a ceremony held at Prime Minister's Office on February 21, 2019.

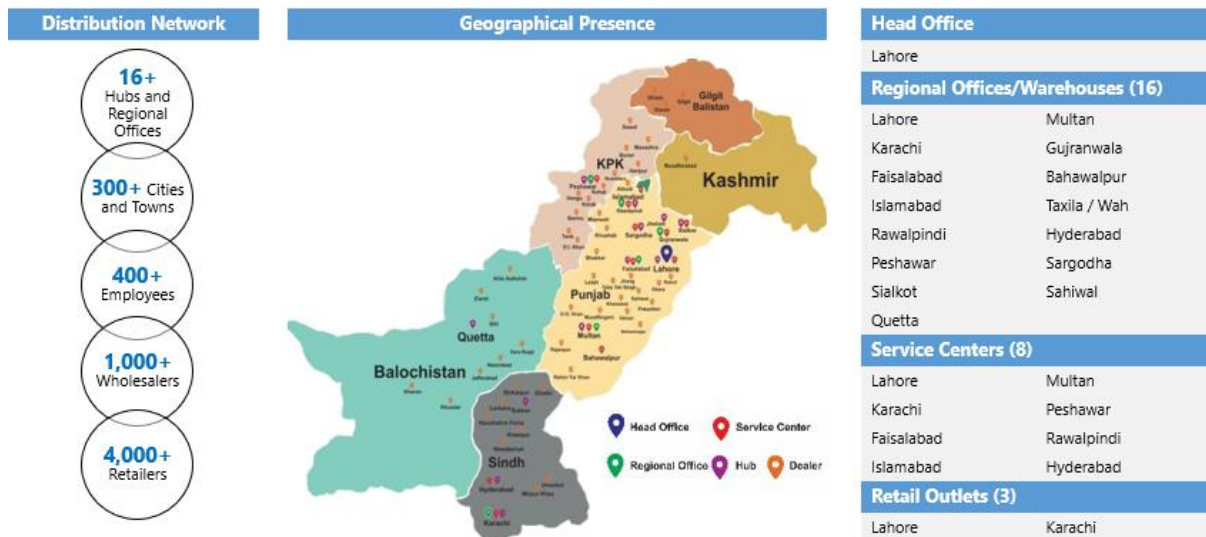
The Company is working towards becoming vertically integrated depending upon the business environment, legal & regulatory framework and its impact on the overall business of the company.

3.1.2 Sponsor's Overview

| | |
|---|--|
| 2010 Air Link Communication | Established Air Link Communication and started distribution of 3G Tablets & Evo-WiFi devices in major cities of Pakistan for Pakistan Telecommunication Limited (PTCL). |
| 2012 Huawei Official Partner | Air Link Communication was offered Huawei Official Partner status for launching Huawei handheld devices for the first time in Pakistan in 2012. |
| 2015 Huawei Gold Partner | Air Link Communication awarded as 'Huawei Gold Partner' status in 2015 by Huawei. |
| 2016 Samsung Official Partner | Keeping in view of Air Link's remarkable performance and country-wide distribution network, Samsung appointed Air Link as its Official Partner for mobile phones distribution in 2016. |
| 2019 TCL, Tecno, ITEL and MP (Apple Authorized Regional Distributor) | Air Link enhanced its brand portfolio by signing a smart phone distribution agreement with TCL, Tecno, ITEL and also entered in to an agreement with Mercantile Pacific Pte. Ltd (MP) – Apple Authorized Regional Distributor for distribution of products procured from MP in Pakistan. |

3.1.3 Distribution Network

Air Link has 16 hubs and regional offices in the country and has a nationwide coverage in 300+ cities and towns of Pakistan. It has a strong retail and dealer network of 4,000+ retailers and 1,000+ wholesalers respectively. Air Link has work force of more than 400 employees spread over the country for efficient distribution of its products.



3.1.4 Retail Outlets

Air Link is currently operating three flagship retail outlets, two in Karachi and one in Lahore.

| Outlet | Address |
|-----------------------|--|
| Samsung Retail Outlet | LG-19, Lucky One Mall, Block 21, Rashid Minhas Road, Karachi |
| Huawei Retail Outlet | SF-23, Lucky One Mall, Block 21, Rashid Minhas Road, Karachi |
| Air Link | Ground Floor, Xinhua Mall, Gulberg III, Lahore |



3.1.5 SWOT Analysis

| Strengths | Weaknesses |
|---|--|
| Experienced and customer-friendly team. | Lack of sufficient working capital financing. |
| Official partnerships with leading mobile phone manufacturers and the skillset to run competing brands under one umbrella. | Margins are set by Principal/Manufacturer/Regional Distributor. |
| Excellent stakeholder relations based on prompt delivery of stock and customer service. | Smartphones cater to medium to high end consumer segment only. |
| Country wide distribution network and warehouses. | |
| Remarkable 5-Year CAGR of 66% during FY14 to FY19. | |
| Consistent margins owing to adjustment to pricing of products provided by vendors. | |
| Establishing a Cloud Computing & Data Center in collaboration with Huawei. | |
| Opportunities | Threats |
| Decrease in grey market post-implementation of DIRBS by PTA will enable official importers / distributors to capture additional market share. | Government may impose additional duty on high-end mobile phones to reduce Current Account deficit. |
| Forward integration via opening of company operated retail outlets to capture retailer margins. | Decrease in demand as a result of currency devaluation. |
| Establishment of an e-commerce platform utilizing alternate delivery channels such as online shopping and television to increase outreach to customers. | Adverse changes in the regional and global mobile market will have spillover effects on local trade volumes. |
| Increasing demand as customer preferences shift from feature phones to low cost smart phones. | Future changes in import policy by the government. |
| Setting up an assembly unit will result in localization, import substitution and possible export to MENA region. | |
| Addition of more brands in the portfolio. | |
| Leverage expanding distribution & retail network to tap feature phone market. | |

3.1.6 Major Customers



3.1.7 Business Features



3.1.8 Technological Framework

Air Link believes that accurate and prompt availability of information is a critical success factor in today's world. The Management Information System (MIS) consists of state-of-the-art infrastructural facilities and the data center resources are one of the best in the industry. There is a dedicated team of qualified professionals to maintain and continuously upgrade the Information Systems according to business needs and technological advancements. Employees are equipped with latest available technology to reach their optimum level of efficiency. Availability of management information is prompt and accurate, enabling the management to make informed and timely decisions.

3.2 PATTERN OF SHAREHOLDING

| | Shares | Shareholding (Pre-issue)* |
|-------------------------|-------------|---------------------------|
| Sponsors | | |
| Muzzaffar Hayat Piracha | 121,799,757 | 40.6% |
| Yasir Hayat Piracha | 89,100,000 | 29.7% |
| Naila Piracha | 18,900,000 | 6.3% |
| Roshanay Piracha | 18,900,000 | 6.3% |
| Sania Piracha | 18,900,000 | 6.3% |
| Mishaal Piracha | 18,900,000 | 6.3% |
| Saleha Basit | 13,500,000 | 4.5% |
| Directors | | |
| Aslam Hayat Piracha | 120 | 0.0% |
| Rabiya Muzzaffar | 120 | 0.0% |

| | | |
|------------------------------|--------------------|-------------|
| Sharique Azim | 1 | 0.0% |
| Hussain Kuli Khan | 1 | 0.0% |
| Aqdu Faraz | 1 | 0.0% |
| Total Paid Up Capital | 300,000,000 | 100% |

*Excludes conversion of TFCs as mentioned under section 11.1.1.

More than 51% of the shares of the Issuer have been held by the same sponsors for more than two years.

3.3 KEY PERFORMANCE DRIVERS

3.3.1 Key Revenue Drivers

Enhanced Market Size

Pakistan Telecommunication Authority (PTA) has recently implemented DIRBS to curb illegal imports of mobile phones and improve revenue collection. As a result, the grey market will shrink significantly and demand for registered devices will increase.

Huge Market Potential

Pakistan's smart phone market has immense potential as the smart phone penetration in Pakistan is currently around 35%. The Pakistan mobile market is expected to transition from feature phones to smart phones as cellular mobile operators rollout their networks, 4G becomes more widely available and the proportion of low-cost smart phones increase.

Replacement Demand for Existing Smart Phones

Replacement demand for existing smart phones is expected to sustain the industry in the long term as smart phone penetration reaches higher levels.

Volume Growth

Compounded annual growth rate in number units sold from FY14 to FY19 was 44%. The unitary growth experienced by the Company is expected to continue as demand for mobile phones increases.

3.3.2 Key Cost Drivers

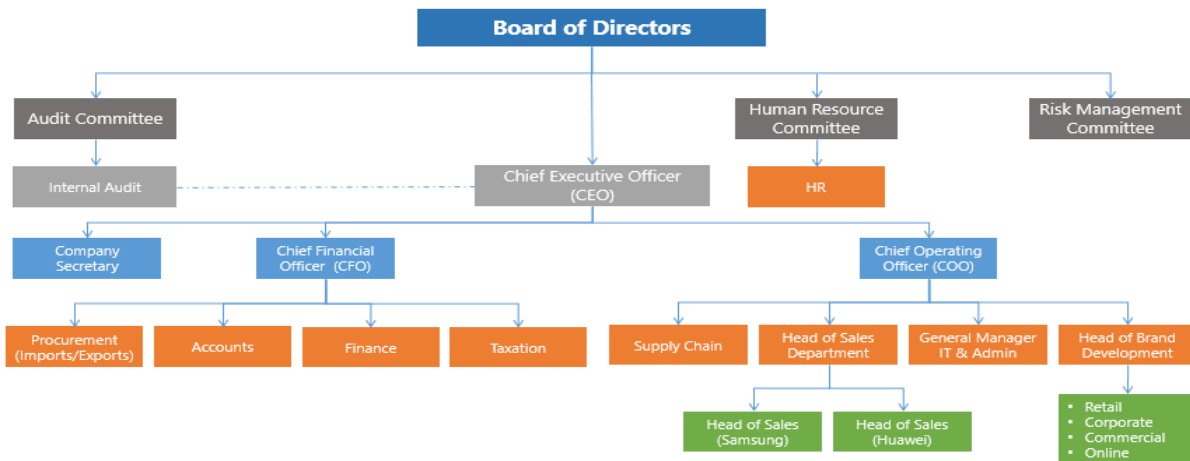
Import Cost

Air Link imports smart phones at prices determined by the vendors through letter of credit and import contract availing their credit facility.

Distribution Cost

The company has a country wide distribution network consisting of 16 regional hubs linked to 1,000+ wholesalers and 4,000+ retailers for selling of mobile phones and accessories across Pakistan. The Company uses a hub and spoke system to ensure timely deliveries to all its regional offices.

3.4 ORGANIZATIONAL STRUCTURE



3.5 KEY HISTORICAL MILESTONES

| Events | Year | Description |
|--|------|--|
| Significant financial or strategic partnerships as per Issuer. | 2010 | Registration of Air Link Communication (AOP) and commencement of business |
| | 2010 | Pakistan's First 3G-enabled Android Tablet and Smartphone in partnership with PTCL |
| | 2012 | Official Partner of Huawei |
| | 2015 | Incorporation of Private Limited Company (Business continuation remains with AOP) |
| | 2016 | Official Partner of Samsung |
| | 2018 | Transfer of Huawei business from AOP to Private Limited effective from January 1, 2018 |
| | 2019 | Transfer of Samsung business from AOP to Private Limited effective from July 1, 2018 (entire business conducted under Private Limited Company) Smart phone distribution agreement with TCL, Tecno, Itel and also entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan. |
| Time/cost overrun in setting up projects. | N/A | |
| Capacity enhancement, location of plants. | N/A | |
| Launch of key products or services. | 2010 | Launched Distribution of 3G-enabled Android Tablet and Smartphone in partnership with PTCL |
| | 2012 | Launched Distribution of Huawei Mobiles & Tablets in Pakistan |
| | 2016 | Launched Distribution of Samsung Mobiles & Tablets in Pakistan |
| | 2019 | Opened exclusive outlets in collaboration with Huawei & Samsung Opened general retail outlet with own brand name |
| Entry in new geographies or exit from existing markets. | N/A | |
| Key awards, accreditations or recognition | 2015 | Gold Partner Award by Huawei |
| | 2016 | Huawei Best Channel Partner Awards |
| | 2018 | Received Multiple Awards from Principal and Local Authorities |
| Defaults or rescheduling/waiver / restructuring of borrowings with financial institutions/ banks | N/A | |

3.6 PROJECTS AND INFRASTRUCTURE FACILITIES

The Company does not have any project or manufacturing facility that employs any type of plant and machinery. Infrastructure under the Company’s control include its head office, shops, warehouses, display and service centers.

3.7 PRODUCT PORTFOLIO

Mobile Phones, Tablets and Accessories of all the distributed brands.



3.7.1 Marketing Strategy

Air Link strives to successfully market mobile phones & accessories for each brand via inclusion in the Company's catalogs and other promotional materials. The Company complies with good business practices and ensures that all advertising and marketing materials are in accordance with the Principal's written procedures. Furthermore, the Company carries out promotional sales campaigns and attends industry or trade shows and/or conventions within the country or abroad as per guidelines of the Principal.

3.7.2 End Users, Demand for Products and Name of Competitors

End users of mobile phones and accessories is the general public. Given the population is growing, there is a huge demand for smart phones in Pakistan.

Implementation of DIRBS continue to reduce the grey market and increase demand for registered devices. Replacement demand for existing smart phones is expected to sustain the industry growth in the long term as smart phone penetration reaches higher levels. The growing e-commerce industry will further enhance the demand of smart phones.

There are two other major leading mobile phone distributors in the country who directly compete with Air Link, namely Green Tech and Muller & Phipps.

3.8 INTELLECTUAL PROPERTY RIGHTS AND DETAILS OF MATERIAL PROPERTY

The Company does not own any intellectual proprietary rights or any material property on a freehold or leasehold basis.

3.9 FUTURE PROSPECTS AND DEMAND OUTLOOK

3.9.1 Current Focus

Air Link is working towards becoming Pakistan's largest vertically integrated distribution company.

Air Link intends to increase its market share by injecting more working capital thus expanding its distribution network in more cities of Pakistan by adding warehouses, offices and sales teams in order to reach out to more wholesalers & retailers.

Air Link has commenced operations of three flagship retail outlets, two in Karachi and one in Lahore.

Air Link has introduced new smart phone brands as a result of distribution agreements with TCL, Tecno, ITEL and also entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan.

3.9.2 Outlook

The following proposed plans would depend upon the business environment, legal & regulatory framework and its impact on the overall business of the company:

- In the near future, the Company plans to develop additional retail outlets in different cities within Pakistan focusing on areas where cellular penetration levels are low. This will allow absorption of retailer margin via increase in the number of mobile phones sold directly to end consumers at retail prices via outlets.
- The Company in collaboration with Huawei has commenced plans to establish a next generation cloud computing & data center in Pakistan.
- Expanding into the retail business will lead to a deeper penetration into the Pakistani mobile market along with other business synergies, including improved control over the business operating cycle.

- Establishing an E-commerce platform that will increase customer outreach by enabling online sales of smart phones.

3.10 VENDORS

The Company's vendors include Huawei, Samsung, TCL, Tecno and ITEL, with whom Air Link has entered into agreements by which it procures mobile phones & accessories from them and subsequently sells them via its distribution and retail network. The Company also entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan.

3.11 REGULATORY APPROVALS

There are no specific government or other regulatory approvals required for carrying on the business. The Company, just like any other commercial importer, imports products and obtains them after payment of applicable taxes.

3.12 GROUP STRUCTURE, SUBSIDIARIES & ASSOCIATED COMPANIES

| Name of Company | Nature of Business | Nature of Relation | Issuer Shareholding |
|--|--|--|---------------------|
| Select Communication (Pvt.) Ltd. | Distribution and retail of communication equipment | Associated Company by way of investment by Sponsor | 0.0% |
| Best Electronics (Pvt.) Ltd. | Distribution and retail of communication equipment | Associated Company by way of investment by Sponsor | 0.0% |
| Air Link Communication Inc. Canada | Retail of communication equipment | Associated Company by way of investment by Sponsor | 0.0% |
| Air Link Communication DMCC, UAE | Distribution and retail of communication equipment | Associated Company by way of investment by Sponsor | 0.0% |
| RFK Holidays LLC, UAE | Travel & tourism | Associated Company by way of investment by Sponsor | 0.0% |
| TF tech n food GmbH | Online food distribution | Associated Company by way of investment by Sponsor | 0.0% |
| Pakistan International Container Terminal Limited | Construction, development, operations and management of container terminal | Associated Company by way of common directorship | 0.0% |
| Pakistan International Bulk Terminal Limited | Construction, development, operations and management of coal & clinker / cement terminal | Associated Company by way of common directorship | 0.0% |
| The General Tyres and Rubber Company of Pakistan Limited | Manufacturing and trading of tyres and tubes for automobiles & motorcycles | Associated Company by way of common directorship | 0.0% |
| Gammon Pakistan Limited | Execution of civil construction works | Associated Company by way of common directorship | 0.0% |

Note: As required under regulation 7(8) of the PO Regulations, the Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building.

3.13 RELATED PARTY TRANSACTIONS

There were no related party transactions of the Issuer during last three years as disclosed in section 11.2.

3.14 STAFF TURNOVER

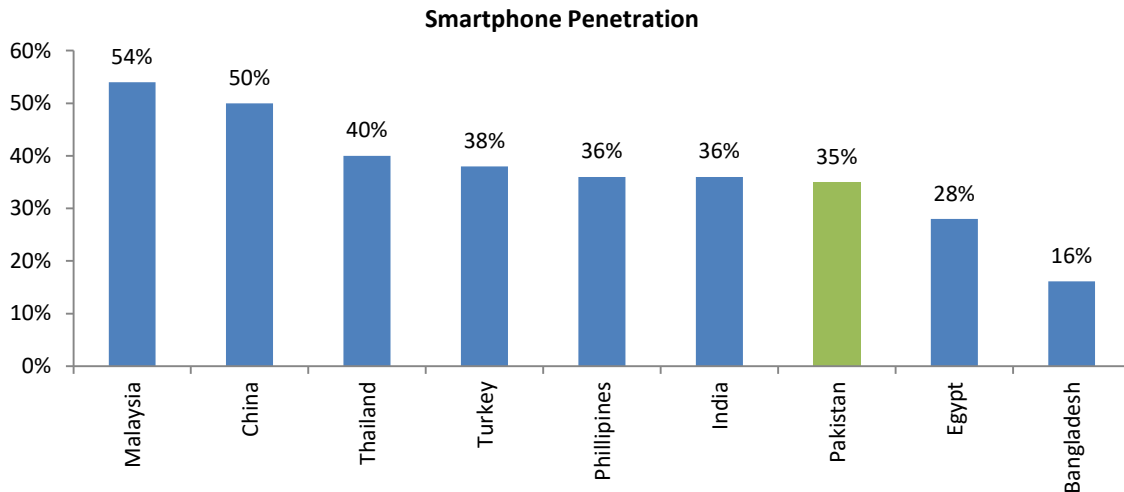
Annual staff turnover for FY18 was 17% and for FY19 it was 13.4%.

3.15 PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER WHICH THE ISSUER HAS CONTROL

The Issuer does not exert control over any of the listed associated companies who are associates by way of common directorship as mentioned in section 3.12.

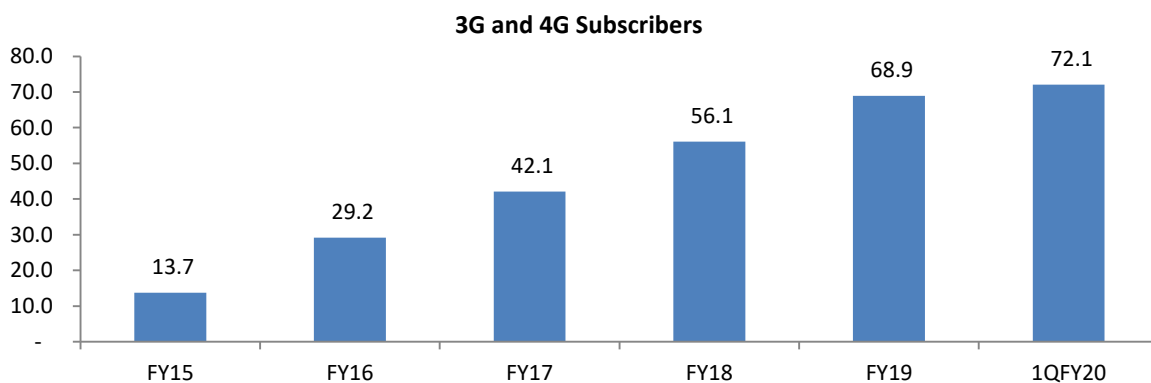
3.16 INDUSTRY OVERVIEW

A major chunk of Pakistan’s mobile market is attributable to the feature phone space that is dominated by Qmobile and Nokia. Smartphone penetration levels are low owing to limited outreach of 3G/4G services.



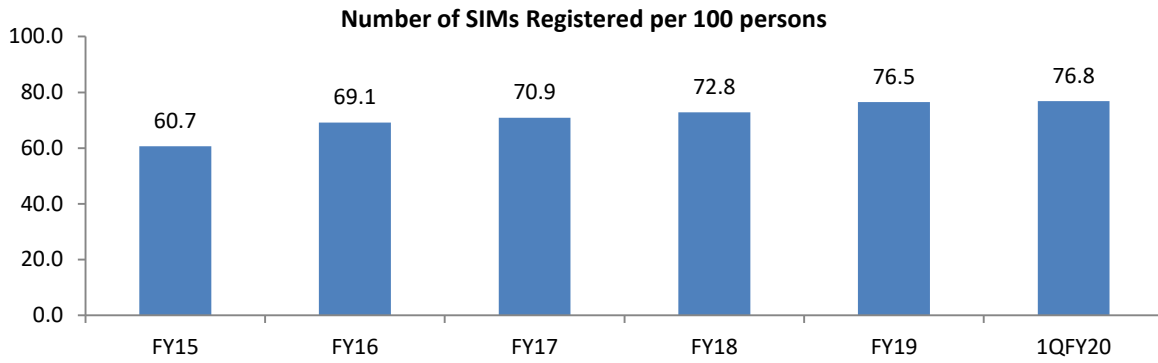
Source: Statista, Pakistan Telecommunication Authority, JS Research

However, improved offers from both local and international vendors and a general increase in smartphone demand as a result of an increasing 3G/4G subscriber base has led vendors to ship in 4G-enabled models. The Pakistan mobile market is expected to transition from feature phones to smart phones as cellular mobile operators rollout their networks and 4G becomes more widely available. As per PTA, there were around 72.1 million 3G/4G subscribers as at September 30, 2019. As coverage of 3G/4G increases, demand for smartphone would also further increase.



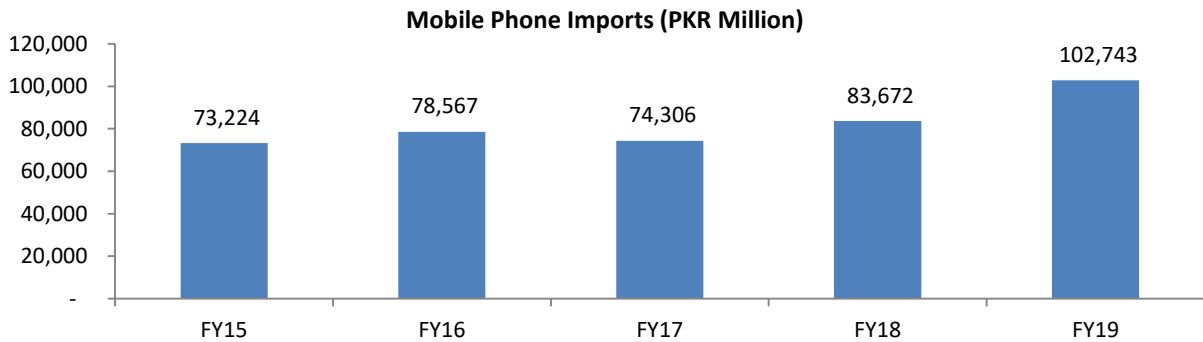
Source: Pakistan Telecommunication Authority

The smartphone market is expected to become increasingly competitive as the proportion of low-cost smartphones grows. Mobile brands are providing consumers with a wider choice of smartphones at more affordable prices in low tier range.



Source: Pakistan Telecommunication Authority

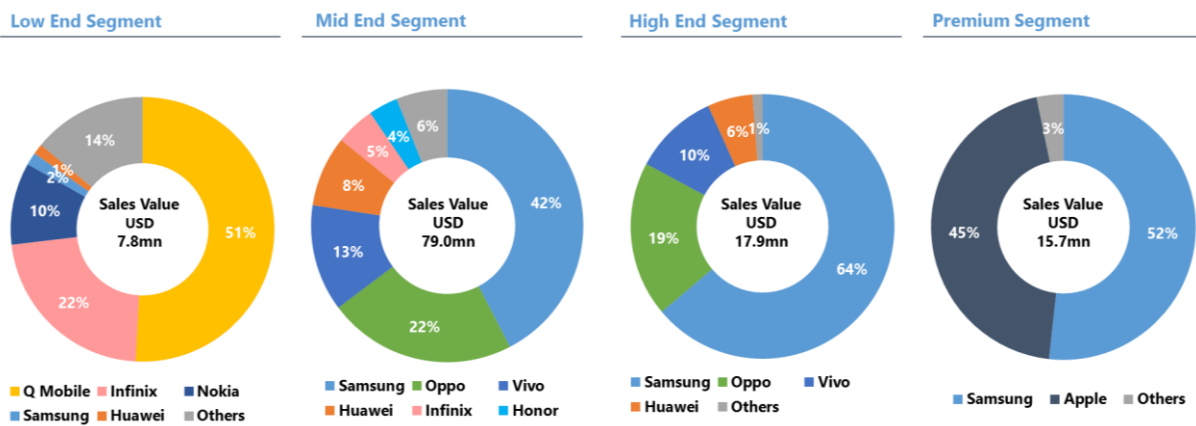
Pakistan’s telecom sector witnessed significant growth after the introduction of 3G and 4G in 2014. 3G and 4G supported the growth of e-commerce which in turn led to an increase in demand for smartphones. Preparations to test 5G cellular connectivity have commenced and the country plans to launch 5G technology by 2021. This presents an opportunity for smartphone growth. During FY15-19, the average annual mobile phone imports amounted to PKR 82,502 million.



Source: Pakistan Bureau of Statistics

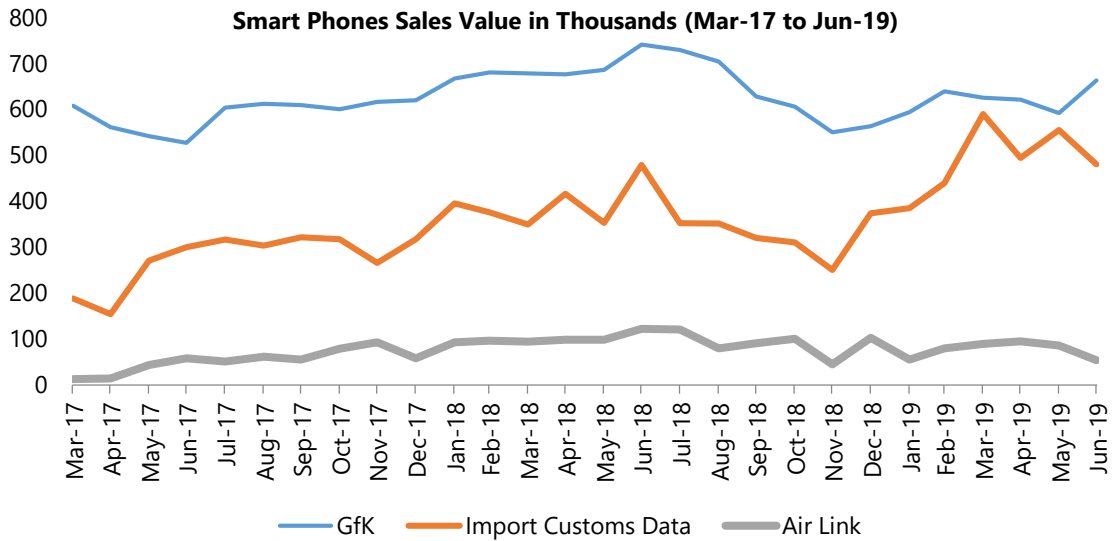
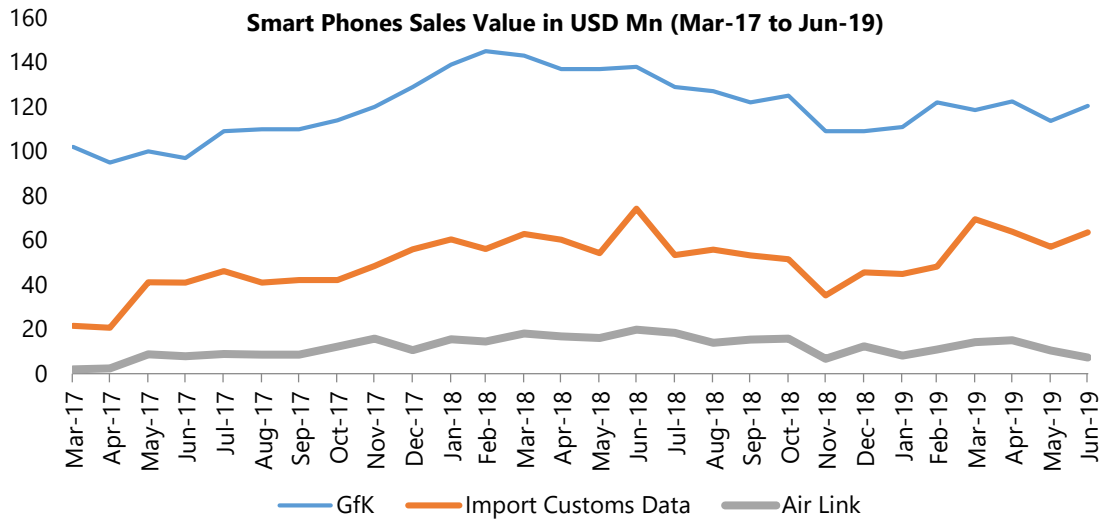
3.16.1 Smartphone Market Share by Segment for Jun-19

Mid End segment constitutes around two-third of the total smartphone market size of around USD 120.4mn. Samsung is the most popular brand with an overall market share of around 44%.



Source: GfK Report for the month of Jun-19

3.16.2 Market Potential

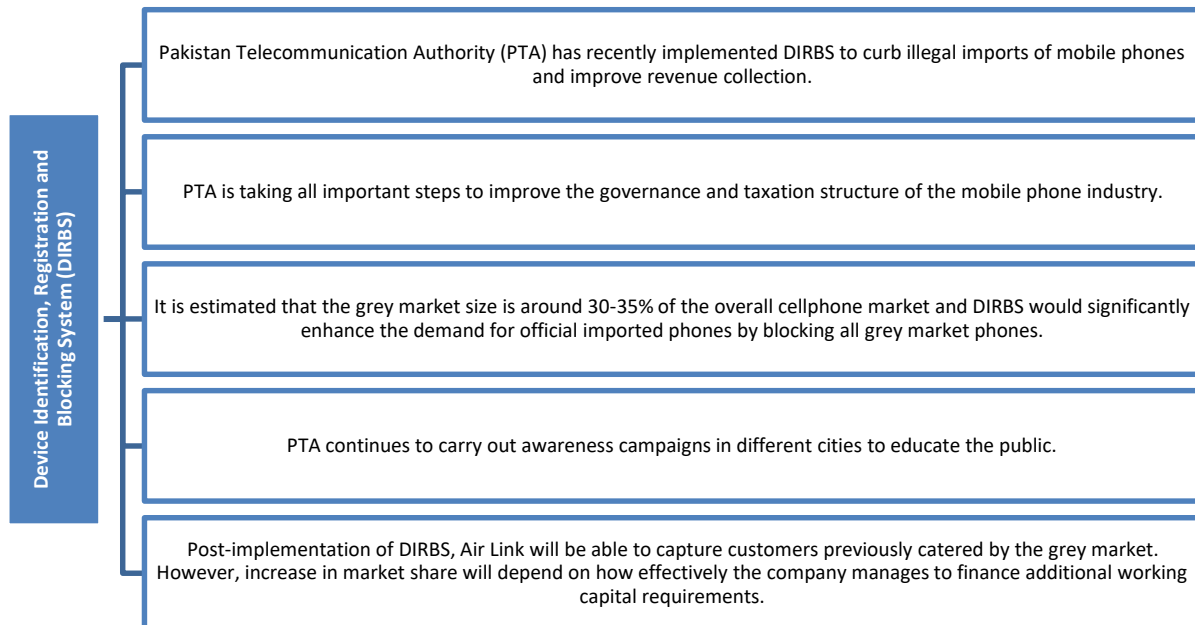


| Pakistan Telecommunication Authority | |
|---|---------------|
| Population | 212.8 million |
| Adults – Above 16 years (65% of total population) | 138.3 million |
| Cellular Subscribers (Number of SIMs) | 162.8 million |
| 3G/4G Subscribers (As at June 2019) | 68.9 million |
| Provision for handsets | 35% |
| Net handsets | 24.1 million |
| Lifecycle replacement time | 3 years |
| Handsets – annual sales potential | 8.0 million |

| Jul-18 to Jun-19 | Units (000) |
|---|-------------|
| PTA (Official plus Grey Market) | 8,000 |
| GfK Report (Official plus Grey market) | 7,514 |
| Import Customs Data (Official) | 4,903 |
| Grey Market (GfK Report less Import Customs Data) | 2,611 |
| Air Link Imports | 1,000 |
| Air Link market share as a % of Import Customs Data | 20.4% |
| Air Link market share as a % of GfK Report | 13.3% |

Source: Pakistan Demographic and Health Survey 2017-18, Pakistan Telecommunication Authority (PTA), GfK Report, Import Customs Data and Air Link Management Estimates

3.16.3 Device Identification, Registration and Blocking System (DIRBS)



3.16.4 Financial Inclusion via Mobile Phones

Rapid and substantial expansion of digital accounts can only be achieved by increasing accessibility via mobile phones.

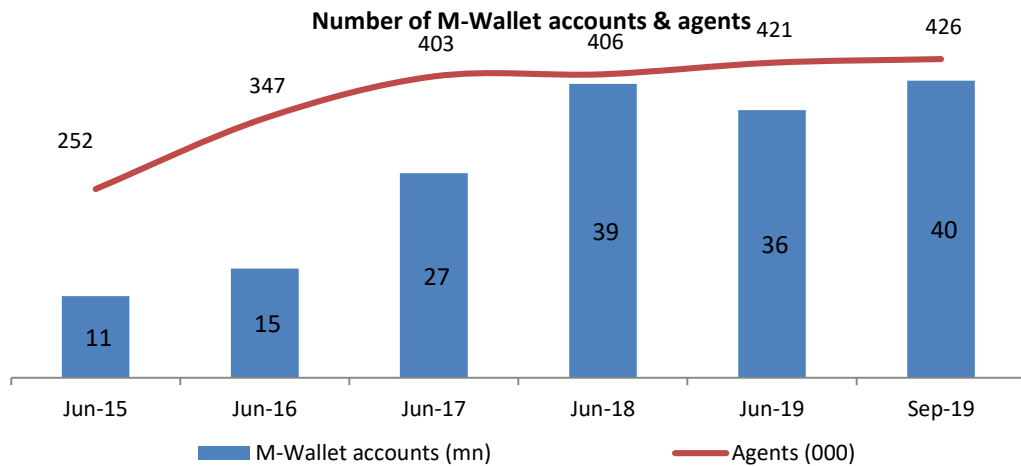
The widespread proliferation of cellular mobile services in Pakistan has opened up new avenues of possibility for bringing the unbanked communities into banking net through mobile banking. Any person with a basic mobile phone can open a mobile banking account swiftly through a USSD code or string irrespective of location.

The government aims to expand Digital Financial Services and has taken initiatives that will facilitate the poor and marginalized sections of the society towards adopting digital payments while shifting the focus of banks from 'Over-the-Counter' (OTC) services to branchless banking / mobile wallets.

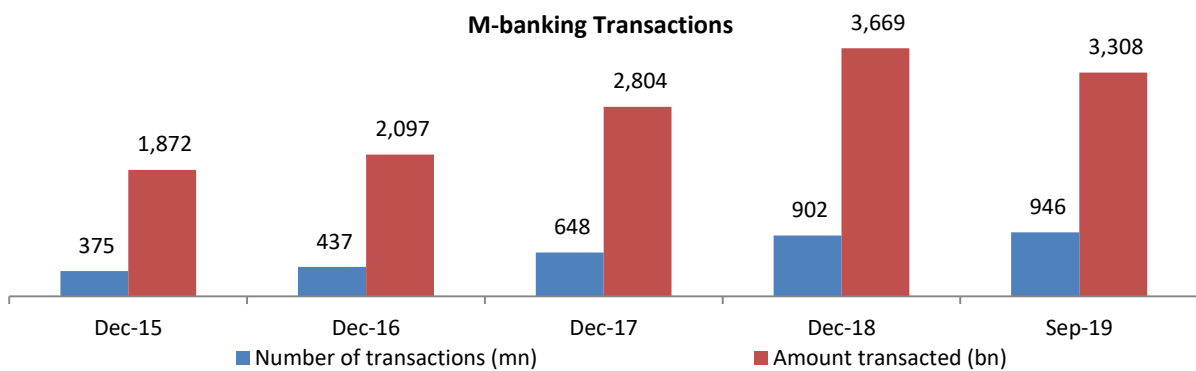
Government Initiatives in expanding Digital Financial Services

| | |
|---|--|
| Third Party Service Provider (TPSP) license permits | Licensees are authorized to provide technical services for channeling, routing & switching transactions for branchless/ mobile banking among banks, telecom operator(s) and TPSP(s). |
| Asaan Mobile Accounts (AMA) scheme | Any person with a basic mobile phone can open a mobile banking account swiftly through a USSD code or string irrespective of location. |
| Home Remittance Account (HRA) | M-wallet account holders will be able to receive home remittances. |
| Digitalization of Payment Systems | Delivery of BISP and other G2P payments through m-wallet accounts has been initiated. |
| Connected Agriculture Platform Punjab (CAPP) program | The aim of the program is to provide interest free loans and information like weather, crop calendar, expert opinion and supply chain tracking etc. to farmers through android apps all across the province. |

The introduction of biometrically verified SIMs have facilitated the growth of m-wallet accounts while mobile banking agents have played a key role in the expansion of mobile financial services to the unbanked and far flung areas where traditional bank branches are not available.



Source: State Bank of Pakistan Branchless Banking Statistics



Source: State Bank of Pakistan Branchless Banking Statistics

3.16.5 Demand Drivers

- Around one-third of the population is aged between 20 and 40 years whose income levels are gradually rising.
- Increasing 3G/4G subscribers base as cellular mobile operators rollout their networks and 4G becomes more widely available.
- Implementation of DIRBS continues to reduce the grey market and increase demand for registered devices.
- Increased dependency on smart phones has transformed their usage into a necessity.
- Increased supply of low-cost smart phones is shifting customer preferences from feature phones to smart phones.
- Replacement demand for existing smart phones is expected to sustain the industry growth in the long term as smart phone penetration reaches higher levels.

3.17 SHARE CAPITAL AND RELATED MATTERS

3.17.1 Share Capital

| No. of Shares | Shareholders | Face Value (PKR) | Premium (PKR) | Total (PKR) |
|--|--|------------------|---------------|----------------------|
| AUTHORIZED CAPITAL | | | | |
| 400,000,000 | Ordinary shares of PKR 10/- each | 10.00 | - | 4,000,000,000 |
| ISSUED, SUBSCRIBED & PAID UP CAPITAL | | | | |
| 300,000,000 | Issued against cash including bonus issue | 10.00 | - | 3,000,000,000 |
| 300,000,000 | Total Paid Up Capital | 10.00 | - | 3,000,000,000 |
| EXISTING ISSUED, SUBSCRIBED & PAID UP CAPITAL OF AIR LINK COMMUNICATION LIMITED | | | | |
| Shares held by Sponsors | | | | |
| 121,799,757 | Muzzaffar Hayat Piracha | 10.00 | - | 1,217,997,570 |
| 89,100,000 | Yasir Hayat Piracha | 10.00 | - | 891,000,000 |
| 18,900,000 | Naila Piracha | 10.00 | - | 189,000,000 |
| 18,900,000 | Roshanay Piracha | 10.00 | - | 189,000,000 |
| 18,900,000 | Sania Piracha | 10.00 | - | 189,000,000 |
| 18,900,000 | Mishaal Piracha | 10.00 | - | 189,000,000 |
| 13,500,000 | Saleha Basit | 10.00 | - | 135,000,000 |
| Shares held by Directors | | | | |
| 120 | Aslam Hayat Piracha | 10.00 | - | 1,200 |
| 120 | Rabiya Muzzaffar | 10.00 | - | 1,200 |
| 1 | Sharique Azim | 10.00 | - | 10 |
| 1 | Hussain Kuli Khan | 10.00 | - | 10 |
| 1 | Aqdus Faraz | 10.00 | - | 10 |
| 300,000,000 | Total Paid Up Capital | 10.00 | - | 3,000,000,000 |
| PRESENT ISSUE OF ORDINARY SHARES | | | | |
| 67,500,000 | Allocations to Institutions / Individual Investors through Book Building process at Strike Price | 10.00 | - | 675,000,000 |
| 22,500,000 | General Portion | 10.00 | - | 225,000,000 |
| 90,000,000 | Total Issue Size | 10.00 | - | 900,000,000 |
| 60,000,000 | New Issue | 10.00 | - | 600,000,000 |
| 30,000,000 | Offer for Sale | 10.00 | - | 300,000,000 |
| 90,000,000 | Total Issue Size | 10.00 | - | 900,000,000 |
| 360,000,000 | Grand Total (Post-IPO) Paid-up Capital | 10.00 | - | 3,600,000,000 |

*Conversion of TFCs into ordinary shares will be undertaken by the company in terms of agreement with the TFC Holders namely JS Bank Limited and PCF Communication (Private) Limited as mentioned in section 11.1.1.

Notes:

1. As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
2. As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty five percent of the paid-up capital of the Company for not less than three financial years from the last date for the public subscription;
3. As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
4. As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation (1) and (2) above, and with the prior approval of the securities exchange, the sponsors of the Issuer may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of the PO Regulations and any such persons, its directors, sponsors and substantial shareholders shall comply with the conditions as stipulated in sub-regulation (1) of regulation 3 of PO Regulations.

3.17.2 Shares Issued in Preceding Years including bonus and right shares

| Date of Allocation | No. of Shares of PKR 100 | No. of Shares of PKR 10 | Par Value | Consideration | Amount in PKR (Par Value) | Share Capital (PKR) |
|--------------------|--------------------------|-------------------------|-----------|-----------------------------|---------------------------|---------------------|
| 02/01/2014 | 1,000 | - | 100 | Rights Shares Cash Issue | 100,000 | 100,000 |
| 28/11/2016 | 4,999,000 | - | 100 | Cash Issue | 499,900,000 | 500,000,000 |
| 08/06/2018 | 5,000,000 | - | 100 | Cash Issue | 500,000,000 | 1,000,000,000 |
| 01/10/2018 | - | 100,000,000 | 10 | Denomination Change | | 1,000,000,000 |
| 21/12/2018 | - | 100,000,000 | 10 | Bonus Issue | 1,000,000,000 | 2,000,000,000 |
| 18/03/2019 | - | 25,000,000 | 10 | Right Shares Cash Issue | 250,000,000 | 2,250,000,000 |
| 20/03/2019 | - | 25,000,000 | 10 | Bonus Issue | 250,000,000 | 2,500,000,000 |
| 28/10/2019 | - | 50,000,000 | 10 | Bonus Issue | 500,000,000 | 3,000,000,000 |
| Total | | 300,000,000 | | | 3,000,000,000 | |

Other than the above-mentioned shares, there has been no issuance of shares since the incorporation of the Company. However, conversion of TFCs into ordinary shares will be undertaken by the company in terms of agreement with the TFC Holders namely JS Bank Limited and PCF Communication (Private) Limited, as detailed in section 11.1.1.

3.17.3 Related Employees of the Company (Air Link Communication Limited)

| S. No. | Name | Designation |
|--------|-------------------------|-----------------------------------|
| 1. | Muzzaffar Hayat Piracha | Chief Executive Officer |
| 2. | Aslam Hayat Piracha | Chairman / Non-executive Director |
| 3. | Rabiya Muzzaffar | Non-executive Director |
| 4. | Syed Nafees Haider | Executive Director |
| 5. | Hussain Kuli Khan | Independent Director |
| 6. | Sharique Azim Siddiqui | Independent Director |
| 7. | Aqdu Faraz Tahir | Independent Director |
| 8. | Nusrat Mahmood | Chief Financial Officer |
| 9. | Imran Ali Kazmi | Manager Accounts and Finance |
| 10. | Amer Latif | Company Secretary |

3.17.4 Related Employees of the Consultant to the Issue and Book Runner (JS Global Capital Limited)

| S. No. | Name | Designation |
|--------|------------------------|--|
| 1. | Muhammad Kamran Nasir | Chief Executive Officer |
| 2. | Badr Un Naeem Siddiqui | Assistant Vice President, Investment Banking |
| 3. | Zeeshan Abid Siddiqui | Manager, Investment Banking |
| 4. | Maaz Ahmed Khan | Assistant Manager, Investment Banking |

Note:

1. As per regulation 7(9) of the PO Regulations the associates of the Consultant to the Issue and the Book Runner shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Consultant to the Issue and the Book Runner that are Financial Institutions, Mutual Funds and Insurance Companies.

As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Consultant to the Issue and Book Runner to the Issue shall not participate in the bidding for shares and the Book Runner shall block their UINs and names for participation in the bidding.

4 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

4.1 PRINCIPAL PURPOSE

Air Link intends to establish additional retail outlets and increase its market share by injecting more working capital to expand its distribution and retail network in more cities of Pakistan. For this purpose, the Company intends to issue 60,000,000 new ordinary shares and offer 30,000,000 ordinary shares at a floor price of PKR 56.00/- per share to raise PKR 5,040 million through this IPO. The new issue will amount to PKR 3,360 million. Details of utilization of IPO proceeds are given below:

| Break up of IPO Proceeds | Fund Raised (PKR million) | Percentage |
|--------------------------|---------------------------|-------------|
| New Issue | 3,360 | 66.7% |
| Offer for Sale | 1,680 | 33.3% |
| Total | 5,040 | 100% |

4.1.1 Basis of Estimation and Rationale of Funding Requirement

Working capital requirement is estimated based on the expected procurement cost of additional mobile phones i.e. the expected annual increase in sales volume multiplied by weighted average cost price. The annual procurement cost is adjusted for inventory to cash cycle. Development of retail outlets is based on capital outlay and operating requirements of each outlet according to its category over a period of two years. Please refer to section 4.1.3 for further details.

4.1.2 Utilization of Proceeds

The Issue is expected to generate PKR 5,040 million at floor price of PKR 56.00/- per share of which PKR 3,360 million will be new issue. As per the fund requirement given below, the IPO proceeds (new issue) and short-term financing facilities shall be utilized as hereunder:

| Sources of Funding | PKR Mn | Requirement of Funds | PKR Mn |
|----------------------------------|--------------|-------------------------------|--------------|
| IPO Proceeds (New Issue) | 3,360 | Development of retail outlets | 887 |
| Short Term Financing Facilities* | 484 | Inventory of mobile phones | 2,957 |
| Total | 3,844 | Total | 3,844 |

*The Company can utilize any of its existing short-term financing facilities. Please refer to section 11.1.2 for details regarding status.

In addition, the Company, as per regulation 16 of the PO Regulations, shall:

- report detailed break-up of the utilization of the proceeds, to PSX and SECP, of the issue in its post issue quarterly / half-yearly and annual accounts till the fulfillment of the commitments mentioned in the prospectus; and
- submit a: (a) Half yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfillment of the commitments mentioned in the prospectus stating the following:
 - Implementation status of the project/commitment made in the Prospectus as per format given below:

| Commitment made in the Prospectus | Start date (disclosed in the prospectus) | Completion date (disclosed in the Prospectus) | Current status | Rationale for delay, if any. |
|-----------------------------------|--|---|----------------|------------------------------|
| | | | | |
| | | | | |

- Detailed break-up utilization of the proceeds raised from the issue.
- Submit a final report reviewed by the auditor after the fulfillment of the commitments mentioned in the Prospectus.

The above utilization of funds is based on the subscription at the Floor Price of **PKR 56.00/- per share**. Excess funds, if any received in case the strike price is determined above the Floor Price shall be utilized by the Company in the following manner, in this priority:

| | | |
|----|---|------|
| 1. | To finance working capital as mentioned in section 4.1 or any other activity related to the Company's ongoing operations. This decision will be taken by the Board of Directors at an appropriate time as deemed necessary in its discretion. | 100% |
|----|---|------|

4.1.3 Funding Requirements

| Description | Funds Required (PKR million) | % Allocation |
|----------------------------|------------------------------|--------------|
| Inventory of mobile phones | 2,957 | 76.9% |
| Retail outlets | 887 | 23.1% |
| Total | 3,844 | 100% |

Inventory of mobile phones

The company expects to increase sales of mobile phones from 1,020,149 units in FY19 to 1,491,295 units in FY20. Weighted average cost price per smartphone is expected to increase from PKR 25,290 / unit in FY19 to PKR 26,551 / unit in FY20 owing to change in sales mix with the introduction of new smartphone brands. It takes around 10 days from order placement for inventory to be received by the Company, following which distribution by dealer networks to retailers nationwide and B2B clients and subsequent cash collection from customers takes around 60 days. The company maintains a safety stock level that ensures delivery for about 15 days. Therefore, an inventory to cash cycle typically lasts for 85 days.

| Item | Formula | Inventory of mobile phones | | |
|------|---------------|--|-------------|---------|
| A | | Additional smartphones | Units | 478,246 |
| B | | Weighted Average Cost Price per smartphone | PKR/unit | 26,551 |
| C | $A * B$ | Smartphone Purchases | PKR million | 12,698 |
| D | | Inventory to Cash Cycle | Days | 85 |
| E | $C * D / 365$ | Financing required per cycle | PKR million | 2,957 |

Retail outlets

Air Link has plans for forward integration of its business by getting into the retail space and establishing retail outlets all over the country. These will be divided into five categories:

- Wholesale – Located in mobile markets of major cities
- Premium store - Brand specific outlet in high income areas of Tier 1 cities
- Category A – Located in metropolitan cities, big malls
- Category B – Located in Tier 1 & Tier 2 cities (Mid – Income areas)
- Category C – Located in Tier 2 cities (Low – Income areas)

Centralized mobile phone inventory system would mean that the Company would disburse mobiles to its retail outlets according to their requirement. The retail stores would be selling all major brands of mobile phones and accessories. The Company plans to phase its retail expansion over the projected period as follows:

| New retail outlets | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|--------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Wholesale | - | 2 | 3 | 3 | 3 | 4 |
| Premium store | 1 | 2 | - | - | - | - |
| Shop category – A | 5 | 4 | 5 | 5 | 5 | 6 |
| Shop category – B | - | 6 | 8 | 8 | 8 | 7 |
| Shop category – C | - | 6 | 8 | 8 | 9 | 9 |
| Total new outlets | 6 | 20 | 24 | 24 | 25 | 26 |

Funding requirement for establishment of new retail outlets is as follows:

| Funds – new outlets (PKR 000) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Shops & equipment | 70,905 | 164,791 | 80,604 | 84,108 | 90,125 | 101,439 |
| Security deposit* | 45,000 | 87,780 | 75,210 | 78,480 | 82,875 | 94,770 |
| Operating expenses** | 80,156 | 429,494 | 275,294 | 287,263 | 305,091 | 346,583 |
| Inventory – parts & accessories | 1,000 | 8,030 | 12,075 | 12,600 | 13,250 | 17,095 |
| Total financing | 197,061 | 690,095 | 443,183 | 462,451 | 491,341 | 559,887 |

* Six months rent deposited as security with landlords.

** This increases substantially for FY21 owing to a full year impact of 20 additional retail outlets out of which 2 are premium stores. Additionally, a head office that will manage the retail division will be established.

It is assumed that IPO proceeds would be utilized for the capital expenditure related to establishment of retail outlets including inventory of parts & accessories and operating expenses up to FY21. Total funding required is therefore calculated as total financing requirement for FY20 and FY21 which amounts to PKR 887 million.

| Source of funds | PKR Mn | Percentage |
|----------------------------------|---------------|-------------------|
| IPO Proceeds | 3,360 | 87.4% |
| Short Term Financing Facilities* | 484 | 12.6% |
| Total | 3,844 | 100% |

*For details please refer to section 11.1.2

4.1.4 Rationale

IPO proceeds would be utilized for development of additional retail outlets and as permanent working capital for enhancement of the business.

Development of additional retail outlets would improve profitability by:

- Expansion of distribution and retail network will improve control over the business operating cycle.
- Absorption of retailer margin via increase in the number of mobile phones sold directly to end consumers at retail prices via outlets.

Arranging equity financing for working capital requirements would improve profitability by:

- Gaining pre-determined margin on open credit shipments.
- Avoidance of financing cost paid to meet import contract / LC requirement.
- Gain additional incentives from vendors lost due to credit financing.
- Reduce exchange losses to the extent of difference of credit payables and unsold inventory.

4.1.5 Deviance from Principal Purpose of Issue to Result in Mandatory Offer of Exit Opportunity

In circumstances where the Issuer does not utilize all or part of the raised funds in accordance with the principal purpose of the issue, it would become mandatory on the Issuer to offer an exit opportunity whose mechanism shall be as under:

1. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.
2. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
 - Intrinsic value based on the latest available audited accounts.

- Weighted average closing price for six preceding months.
 - Offer price at which the shares were subscribed through IPO.
3. The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.

4.2 VALUATION SECTION

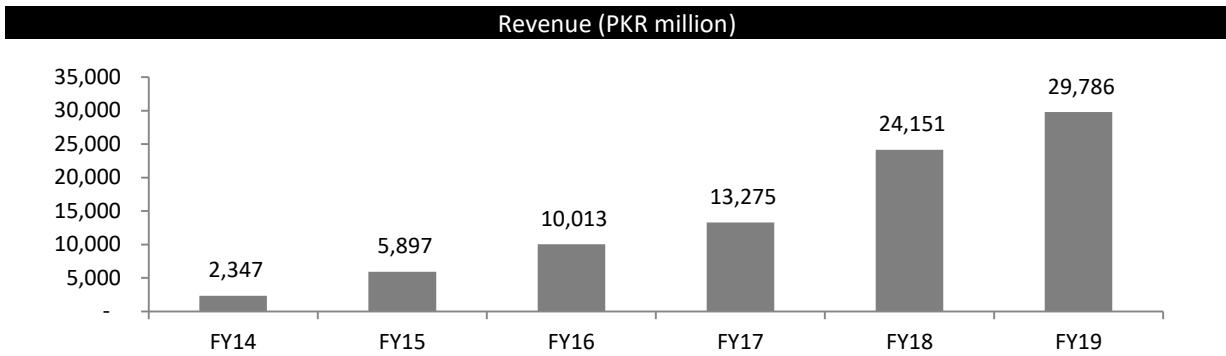
The ordinary shares of Air Link are being issued/offered at Floor Price of PKR 56.00/- per share which is at a premium of PKR 46.00/- per ordinary share to the face value of PKR 10.00 per ordinary share. The Consultant to the Issue has taken into account various aspects including eligibility requirements and suitability considering the interest of the general public and its benefits to the capital market with regards to listing of the Issuer including the following:

| Applicable Eligibility Requirements | Rationale |
|---|---|
| The Issuer has profitable track record for at least 2 preceding financial years from its core business activities | The Issuer has been in operations as a Company for the last two years as mentioned in section 6.5 |
| Not less than 51% of the shares of the issuer are held by same persons for at least 2 preceding financial years | Please refer to section 3.2 |
| The securities shall be issued in book-entry form only | The Issue will be listed on the Pakistan Stock Exchange and is being made through the Book Building process as mentioned on page 1 of the Prospectus. |
| Suitability | |
| Risk assessment including sector risk, operational risk, legal risk etc. | Please refer to section 5. |
| Track record of sponsors | Please refer to section 7.3. |
| Quality and capability of the management | Please refer to section 7.3 and 7.4. |
| Past financial performance of the Issuer | Please refer to section 6.5. |
| Future strategies of the Issuer | Please refer to section 3.9. |
| Dividend payout history | Please refer to section 6.8. |
| Financial viability | Please refer to section 3.7, 3.9 and 3.16. |
| Dividend policy | Please refer to section 6.8. |
| Interest of General Public | An opportunity to buy shares in the company and gain exposure to the communications equipment sector. |
| | Increased transparency and visibility of the communications equipment sector will enable industry analysis and help develop insights. |
| | Improved access to news & developments will facilitate establishment of future outlook of the sector. |
| Benefit to Capital Market | Increase in depth and liquidity of the market. |
| | Potential participation by foreign investors. |
| | Elevation of multiples leading to favorable price discovery. |

4.2.1 Strong Growth in Sales

Sales have increased tremendously from PKR 2,347 million in FY14 to PKR 29,786 million in FY19 growing at a 5-year CAGR of 66%. The Company has maintained gross and net margins of around 13% and 5% respectively over the last five years. However, the Company still operates in a growth stage and intends to vertically integrate into the market so as to further enhance the Company's growth.

The following chart depicts the healthy revenue growth of Air Link over the years and it is expected that replacement demand for existing smart phones will sustain revenue growth in the coming years as smart phone penetration increases.



4.2.2 Strong Distribution Network

Air Link has a strong distribution network consisting of 1,000+ wholesalers and 4,000+ retailers. It has a strong foothold across the country with coverage in 300+ cities and towns of Pakistan. The Company also has regional offices, service centers, warehouses and display centers in major cities of the country.

4.2.3 Channel Partnership with Leading Mobile Phone Manufacturers and Regional Distributor

Air Link has entered into distribution agreements with leading mobile phone manufacturers namely, Huawei, Samsung, TCL, Tecno, ITEL and entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan.

4.2.4 Future Prospects

The Sponsors have a vision to make Air Link Pakistan's largest vertically integrated distribution company through organic growth. Air Link is currently expanding its distribution network in more cities of Pakistan by adding warehouses, offices and sales teams in order to reach out to more dealers & retailers and further increase its market share. Air Link currently operates three flagship retail outlets, two in Karachi and one in Lahore and intends to expand further into the retail space to achieve economies of scale and business synergies.

Additionally, the Company has recently signed an MoU with Huawei to establish a next generation cloud computing & data center for the Finance and Media Industry of Pakistan. The company has recently enhanced its brand portfolio by signing a smart phone distribution agreement with additional vendors including TCL, Tecno, ITEL and also entered into an agreement with MP (Apple Authorized Distributor for Pakistan) for distribution of products procured from MP in Pakistan.

4.2.5 Rated by Credit Rating Agency

Air Link Communication Limited is the first smart phone distribution company ever recognized and rated by PACRA. Air Link received long term rating of A- and short-term rating of A1.

4.2.6 Tax Payer Award

Air Link was declared top tax payer (in AOP Category) for the tax year 2018 in a ceremony held at Prime Minister's Office on February 21, 2019.

4.2.7 Growing Demand of Smartphones

There is a huge demand for smart phones in Pakistan owing to the growing population. The conversion rate from feature phones to smart phones is quite high and the introduction of ride hailing services like Careem and Uber has surged the demand of smart phones in the country. Device Identification, Registration and Blocking System (DIRBS) by Pakistan Telecommunication Authority (PTA) would significantly enhance the demand for official

imported phones by blocking all grey market phones which are estimated to be around 30-35% of the overall mobile phone market. The growing e-commerce industry will further enhance the demand of smart phones.

4.2.8 Experienced and Dedicated Management

Air Link has an experienced management team that is playing a vital role in the mobile phone industry. It is their vision to set highest standards for efficient mobile phone distribution. The management is focused on developing strong relationships with mobile phone wholesalers and retailers.

4.2.9 Shariah Compliance

Company has been declared as Shariah Compliant by Mufti Asad Mahmood based on Management Accounts as at October 31st, 2019. For Shariah Compliance certificate, refer to section 6.1

4.2.10 Attractive Valuation

Air Link's Floor Price of PKR 56.00/- per share, based on last twelve months earnings, translates to a price to earnings (P/E) multiple of 9.0x implying a 38% discount to the average P/E multiple of international peers of 14.5x. Similarly, the June 30, 2019 book value translates into a P/B multiple of 4.6x implying a 14% discount to the average P/B multiple of international peers of 5.3x.

4.2.11 Post IPO Free Float Disclosure

Post IPO, the share capital will increase from 300,000,000 ordinary shares to 360,000,000 ordinary shares. The free float status post IPO is presented in the below table:

| Description | Shares | Shareholding (%) |
|--|--------------------|------------------|
| Held by Sponsors | 269,999,757 | 74.99% |
| Held by other Directors | 243 | 0.00% |
| Held by General Public – Free Float (New Issue) | 60,000,000 | 16.67% |
| Held by General Public – Free Float (Offer for Sale) | 30,000,000 | 8.33% |
| Total | 360,000,000 | 100% |

*Excludes conversion of TFCs as mentioned under section 11.1.1.

4.2.12 Peer Group Analysis

There are no direct competitors of Air Link listed on PSX. However, for peer group analysis, we have analyzed local companies based on high earnings growth and international peers.

| Company | Stock Exchange | Ticker | Share Price ¹ | EPS ² | BVPS ³ | P/E | P/B | ROE | ROA | Free Float (Mn) | Free Float (%) |
|---|----------------------------|--------|--------------------------|------------------|-------------------|-------------|------------|-------|-------|-----------------|----------------|
| Local High Growth Companies (PKR) | | | | | | | | | | | |
| Thal Limited | Pakistan Stock Exchange | THALL | 319.4 | 39.7 | 364.9 | 8.0 | 0.9 | 10.9% | 9.7% | 32 | 40.0% |
| Engro Corporation Limited | Pakistan Stock Exchange | ENGRO | 293.5 | 27.4 | 322.1 | 10.7 | 0.9 | 8.5% | 4.0% | 317 | 55.0% |
| GlaxoSmithKline Pakistan Limited | Pakistan Stock Exchange | GLAXO | 122.1 | 10.0 | 48.4 | 12.2 | 2.5 | 20.7% | 14.4% | 52 | 16.2% |
| Service Industries Limited | Pakistan Stock Exchange | SRVI | 564.6 | 85.0 | 293.5 | 6.6 | 1.9 | 29.0% | 8.8% | 1 | 31.1% |
| Colgate Palmolive Pakistan | Pakistan Stock Exchange | COLG | 2,034.0 | 71.4 | 258.4 | 28.5 | 7.9 | 27.6% | 21.6% | 6 | 10.0% |
| Systems Limited | Pakistan Stock Exchange | SYS | 99.6 | 12.7 | 33.8 | 7.8 | 2.9 | 37.7% | 29.3% | 74 | 60.0% |
| Average | | | | | | 12.3 | 2.8 | | | | |
| Air Link Communication ⁴ | | | 56.0 | 6.2 | 12.3 | 9.0 | 4.6 | 51.1% | 11.8% | 99 ⁵ | 26.8% |
| International Peers | | | | | | | | | | | |
| MM Group for Industry & International Trade | Egyptian Exchange | MTIE | 9.8 | 0.6 | 1.5 | 15.8 | 6.4 | 40.7% | 21.4% | 188 | 30.4% |
| Mobile World Investment Corp | Ho Chi Minh Stock Exchange | MWG | 111,183.3 | 8,460.2 | 26,794.6 | 13.1 | 4.1 | 31.6% | 9.2% | 421 | 92.8% |
| Average | | | | | | 14.5 | 5.3 | | | | |

¹ Share Price is computed as trialing six-months average of daily closing prices.

² TTM earnings as at September, 2019 have been used for calculation of Earnings per share (EPS).

³ Book Value Per Share (BVPS) as at latest audited financial statements date.

⁴ As on June, 2019 audited financial statements.

⁵ This includes new issue of 60 million shares, offer for sale of 30 million shares and 9 million shares mandatorily converted from TFCs as mentioned in 11.1.1.

Source: Bloomberg, PSX Data Portal, Company Financials

5 RISK FACTORS

5.1 INTERNAL

5.1.1 Substantial Financial Leverage

A Debt to Assets ratio of 52% and a Debt to Equity Ratio of 250% represents substantial financial leverage. The Company's operations are heavily dependent on short term working capital finance facilities of its banks.

5.1.2 Termination of Distribution Agreement by the Vendors

Vendors could terminate their distribution agreements with Air Link.

5.1.3 Import Duties and Taxes

Imposition of additional duty on import of high-end mobiles by the Government could affect profitability and revenue negatively.

5.1.4 New Product Launches by the Vendors

Bulk of the sales from newly launched products occurs during the first four to five months, following which customers await new arrivals. Unsuccessful or delayed product launches by vendors could negatively impact sales volume.

5.1.5 Slow Moving Models

Phone models that do not gain popularity with consumers may lead to unsold stock.

5.1.6 Negative Cash Flow from Operations

The Company's cash flow from operations were PKR (1,406,221), PKR (175,333) and PKR (2,827,449) for FY17, FY18 and FY19 respectively. Being a distributor, substantial cash is likely to be tied up in working capital over the normal course of business.

5.1.7 Physical Damage

Inventory of smart phones and mobile accessories are kept at the Company's warehouse where they may be physically damaged or destroyed.

5.1.8 Default Risk

The risk is related to the Company's ability to meet its short term and long-term obligations including service of its debt obligations.

5.1.9 Human Resource Risk

High turnover may cause deterioration in service standards and / or increased payroll situation.

5.2 EXTERNAL

5.2.1 Increase in mark-up rate by the SBP

Interest rates could increase resulting in higher finance cost.

5.2.2 Sanctions on import by the SBP

SBP has imposed 100% margin requirement on imports since February 2017 which has led to an increase in working capital requirements.

5.2.3 Threat of New Entrants

New distributors may enter the market and capture market share of existing brand portfolio.

5.2.4 Capital Market Risks

Price of shares will depend on the stock market behavior and performance of the company; hence, price may rise or fall and result in increase or decrease in the value of the shares.

5.2.5 Under Subscription Risk

This is the risk that the public issue may get under-subscribed on account of lack of investor's interest.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN INTENTIONALLY CONCEALED IN THIS RESPECT.

STATEMENT BY THE ISSUER

Date: January 07, 2020

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of Air Link Communication Limited (“Air Link” or the “Company”), we hereby confirm that all material information as required under the Companies Act 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and Behalf of **Air Link Communication Limited**

-sd-

Mr. Muzaffar Hayat Piracha
Chief Executive Officer/Offeror
Air Link Communication Limited

-sd-

Mr. Nusrat Mahmood
Chief Financial Officer
Air Link Communication Limited

STATEMENT BY CONSULTANT TO THE ISSUE AND BOOK RUNNER

Date: January 08, 2020

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Consultant and Book Runner to this Initial Public Offering of Air Link Communication Limited through the Book Building process, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.


For and on behalf of **JS Global Capital Limited**

-sd-

Mr. Kamran Nasir
Chief Executive Officer
JS Global Capital Limited

6 FINANCIAL INFORMATION

6.1 SHARIAH COMPLIANCE CERTIFICATE

| | |
|---|----------------------------------|
| <p>Mufti Asad Mahmood Graduate from Jamia Tur Rasheed, Karachi Pakistan Sharia Advisor-Islamic Finance</p> | <p>Friday, November 22, 2019</p> |
| <p>لحمده وتصلى على رسوله الكريم</p> <p>Shariah Compliance Certificate</p> | |
| <p>As established Shariah Scholar, I hereby, confirm that I performed the screening criteria of Air Link Communication Limited. On the basis of "Management accounts dated 31st October, 2019", for shariah compliance by using the following criteria:</p> | |
| <ol style="list-style-type: none"> 1. Business of the investee company Core business of the investee company is halal and in-line with Shariah guidelines. 2. Non-compliant investments to Total Assets The ratio of non-compliant investments to total assets is less than 33%. Investment in any non-compliant security was comprised for the calculation of this ratio. 3. Non-compliant income To Total Revenue– Purification of non-compliant income The ratio of non-compliant income to total revenue is less than 5%. Total revenue includes gross revenue plus other income earned by the company. 4. Illiquid assets To Total Assets The ratio of illiquid assets to total assets is at least 25% i.e. 45.89%. Illiquid assets include receivables, loans, trade deposits and tax refunds etc. 5. Debt to Total Asset Debt to Asset ratio is less than 30% i.e. 29.51%. Debt, in this case, is classified as an interest bearing debts. 6. Net Liquid assets to share price Not applicable as the company is not listed in PSX. | |
| <p>Based on the above mentioned criteria I found the company as Shariah compliant. Therefore, I hereby certify that Air Link Communication Limited is Shariah Compliant for capital investment.</p> <p>Allah knows best.</p> | |
|  | |
| <p>Mufti Asad Mahmood Sharia Advisor</p> <p>Email: meetasad786@gmail.com Phone: 0314-5112486</p> | |

6.2 AUDITORS REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS OF AIR LINK COMMUNICATION LIMITED



EY Ford Rhodes
Chartered Accountants
96-B-4, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

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Fax: +9242 3577 8412-13
eyfr@pk.ey.com
ey.com/pk

LA/1362/19
10 October 2019

Chief Financial Officer
Airlink Communication Limited
1 Al Qadir Heights
Garden Town
Lahore

Dear Sir

AUDITOR'S REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATION, 2017

We have been requested to certify assets, liabilities and shareholder's equity and statement of profit or loss of mentioned in the annexed reports (Annexure A, Annexure B and Annexure C, initialed by us for identification) of Airlink Communication Limited (the Company) for year ended 30 June 2018 and 30 June 2019 based on audited financial statements for the purpose of inclusion in the prospectus of the Company to be issued for initial public offer, as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Scope of Certificate

We are required to review and certify the assets, liabilities and shareholder's equity and statement of profit or loss of mentioned in the annexed reports mentioned in Annexure A, Annexure B and Annexure C of the Company for year ended 30 June 2018 and 30 June 2019 based on audited financial statements, prepared by the management of the Company.

Management Responsibility

It is the management's responsibility to ensure compliance with Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Auditors' Responsibility

Our responsibility is to certify the compliance of the requirement of Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- I. Obtained the financial statements of the Company for the financial year ended 30 June 2018 and 30 June 2019,
- II. Obtaining reports (Annexure A, B and C) for the purpose of inclusion in the prospectus of Airlink Communication Limited to be issued for initial public offer for year ended 30 June 2018 and 30 June 2019 prepared by the management as per audited financial statements; and
- III. Matching each value in annexed reports as in ii. above with those in the audited financial statements for year ended 30 June 2018 and 30 June 2019;





Certificate

Based on procedures mentioned above, we certify that the annexed reports are in agreement with audited financial statements and in terms of the requirement under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017, and based on the audited financial statements:

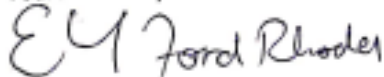
- a) Summary of assets, liabilities and shareholder's equity of the Company for the year ended 30 June 2018 and 30 June 2019 is included in Annexure 'A';
- b) the Statement of Profit or Loss and Statement of Comprehensive Income of the Company for the year ended 30 June 2018 and 30 June 2019 are included in Annexure 'B'; and
- c) Details of dividend declared and bonus shares issued are mentioned in 'Annexure- C'

No financial statements of the Company have been audited by us subsequent to the audit of financial statements of the Company for the year ended 30 June 2019.

Restriction on use and distribution

This certificate is issued in relation to Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours faithfully



EY Ford Rhodes
Chartered Accountants
Engagement Partner: Abdullah Fahad Masood
Lahore: 10 October 2019



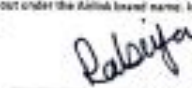
AIR LINK COMMUNICATION LIMITED

Annexure-W

| SUMMARY OF ASSETS, LIABILITIES, AND SHAREHOLDERS' EQUITY | Air Link Communication Limited | Group* |
|---|-----------------------------------|---------------------------|
| | June 30, 2018 (Rupees) | June 30, 2018 (Rupees) |
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property and equipment | 109,376,654 | 139,019,878 |
| Intangibles | 3,871,832 | 5,340,861 |
| Deferred tax asset | 289,578,894 | - |
| | 682,827,380 | 139,360,739 |
| CURRENT ASSETS | | |
| Stock in trade | 1,119,289,129 | 2,171,291,212 |
| Trade debts | 5,120,092,272 | 3,891,790,720 |
| Loans and advances | 50,046,313 | 42,809,885 |
| Trade deposits and other term (prepayments) | 43,876,175 | 28,809,519 |
| Tax refunds due from the Government | 144,741,779 | 108,000,744 |
| Other receivables | 5,393,242,913 | 2,182,229,930 |
| Markup receivable | 17,706,890 | 2,049,798 |
| Short term investments | 2,499,199,499 | 1,228,389,900 |
| Cash and bank balances | 281,979,820 | 391,052,172 |
| | 14,644,999,879 | 10,099,167,724 |
| TOTAL ASSETS | 14,967,523,575 | 16,186,528,249 |
| EQUITY AND LIABILITIES | | |
| EQUITY AND RESERVES | | |
| Authorized share capital | 3,000,000,000 | 3,000,000,000 |
| 350,000,000 (307 June 2018: 300,000,000) ordinary shares of Rs.10 each | | |
| Issued, subscribed and paid up capital - Company | 2,506,890,080 | 1,006,906,890 |
| General Reserves | 44,899,977 | 211,701,828 |
| Loan from Director | 29,321,988 | - |
| Share deposit money | - | 889,751,424 |
| Long term loan | 42,744,954 | - |
| Unappropriated profit | 524,297,890 | 863,843,179 |
| | 3,143,934,989 | 2,896,299,521 |
| NON CURRENT LIABILITIES | | |
| Long Term Loan | 757,239,948 | - |
| Net defined benefit liability | 23,057,845 | 17,126,581 |
| Liabilities against assets subject to finance lease | 22,287,765 | 29,803,484 |
| | 802,600,558 | 48,932,065 |
| CURRENT LIABILITIES | | |
| Creditors, account and other liabilities | 3,272,612,069 | 3,168,304,208 |
| Contract liabilities | 18,250,697 | - |
| Refund liabilities | 181,899,733 | - |
| Accrued markup | 229,870,839 | 40,413,539 |
| Current maturity of liabilities against assets subject to finance lease | 11,238,396 | 14,827,638 |
| Short term borrowing | 7,082,293,891 | 4,241,694,282 |
| Provision for taxation | 219,894,778 | 59,810,159 |
| | 11,623,968,900 | 7,483,239,860 |
| CONTINGENCIES AND COMMITMENTS | | |
| | | |
| | 14,967,523,575 | 16,186,528,249 |

*The "Air Link Communication Group" (the Group) consists of the private limited company "Air Link Communication (Private) Limited" (the Company) and an association of persons named "Air Link Communication" (the ACP). These special purpose financial statements have been prepared to show the consolidated affairs, if and communication business carried out under the ACP's brand name. In particular, these purpose financial statements include only the results of the Company and the ACP.


 Chief Executive


 Director





AIR LINK COMMUNICATION LIMITED

Annexure-B

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Air Link Communication Limited June 30, 2019 (Rupees) | Group June 30, 2018 (Rupees) |
|---|---|------------------------------------|
| Revenue | 29,785,527,173 | 24,151,333,289 |
| Cost of sales | (25,799,238,072) | (21,004,142,384) |
| Gross profit | <u>3,986,289,101</u> | <u>3,147,190,905</u> |
| Administrative expenses | (433,313,932) | (246,632,963) |
| Selling and distribution cost | (306,776,234) | (288,718,815) |
| | (740,090,166) | (535,351,778) |
| Operating profit | <u>3,246,198,935</u> | <u>2,631,839,127</u> |
| Other income | 175,789,714 | 46,334,692 |
| Financial expenses | (827,312,404) | (387,892,302) |
| Profit before taxation | <u>2,594,675,245</u> | <u>2,290,281,517</u> |
| Taxation | (1,114,816,676) | (1,056,413,539) |
| Net profit for the year | <u>1,479,858,569</u> | <u>1,233,867,978</u> |
| Re-measurement gain on defined benefit plan | - | - |
| Income tax effect | - | - |
| Re-measurement losses on defined benefit plan - net of tax | - | - |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>1,479,858,569</u> | <u>1,233,867,978</u> |
| Total comprehensive income of Air Link Communication (Pvt) for the year* | <u>-</u> | <u>294,439,021</u> |
| EPS | | |
| Basic EPS** | 6.24 | 2.35 |
| Diluted EPS | 6.11 | 2.35 |

*Total comprehensive income generated from Air Link Communication (Private) Limited for the year June 30, 2018

**Basic and Diluted EPS for the June 30, 2018 is based on profit generated from Airlink Communication (Private) Limited only.



Chief Executive



Director



EY
Chartered Accountants
LAHORE

847



AIR LINK COMMUNICATION LIMITED

Annexure-'C'
DETAIL OF DIVIDEND PAID AND SHARES ISSUED

| | Air Link Communication Limited June 30, 2019 (Rupees) | Air Link Communication (Private) Limited June 30, 2018 (Rupees) |
|---|---|---|
| Opening Paid Up Capital | 1,000,000,000 | 500,000,000 |
| Bonus Share (Rupees) | 1,250,000,000 | - |
| Ordinary Shares issued as fully paid in cash (Rupees) | 250,000,000 | 500,000,000 |
| | 2,500,000,000 | 1,000,000,000 |

No dividend has been paid in the above mentioned periods.



Chief Executive



Director



EY

6.3 AUDITORS' CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY



EY Foris Rhodes
Chartered Accountants
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eyforis@pk.ey.com
ey.com/pk

LA/1882/19
20 November 2019

Chief Financial Officer
Airlink Communication Limited
1 Al Qadir Heights
Garden Town
Lahore

Dear Sir

AUDITOR'S REPORT UNDER CLAUSE 13 OF APPENDIX-1 OF THE CHAPTER 5 OF PAKISTAN STOCK EXCHANGE REGULATIONS

We have been requested to certify the break-up of shareholding of Airlink Communication Limited (the Company) for period ended 31 October 2019 as required under Clause 13 of Appendix-1 of the Chapter 5 of Pakistan Stock Exchange Regulations.

Scope of Certificate

We are required to review and certify the break-up of shareholding of the Company for period ended 31 October 2019, prepared by the management of the Company.

Management Responsibility

It is the management's responsibility to ensure compliance with Clause 13 of Appendix-1 of the Chapter 5 of Pakistan Stock Exchange Regulations.

Auditors' Responsibility

Our responsibility is to certify the compliance of the requirement of Clause 13 of Appendix-1 of the Chapter 5 of Pakistan Stock Exchange Regulations in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- I. Obtaining break-up of shareholding indicating the amount subscribed by the sponsors / directors / associates / relatives / friends and shares subscribed by the foreign / local investors under private placement, prepared by the management;
- II. Obtained latest Form A and Form 3; and
- III. Matching each value in annexed report as in i. above with those in Form A and Form 3 in ii. above;

Certificate

Based on procedures mentioned above, we certify that the break-up of shareholding of the Company as at 31 October 2019 is as follows:

EY



| Ordinary shares of Rs. 10/- each | Number of shares | % | Rupees |
|----------------------------------|--------------------|--------|----------------------|
| Fully paid in Cash | 125,000,000 | 41.67% | 1,250,000,000 |
| Bonus shares | 175,000,000 | 58.33% | 1,750,000,000 |
| | <u>300,000,000</u> | | <u>3,000,000,000</u> |

| | Fully paid in Cash | | Bonus shares | |
|------------------------|--------------------|----------------------|--------------------|----------------------|
| | Number of shares | Rupees | Number of shares | Rupees |
| Directors | | | | |
| Muzaffar Hayat Piracha | 58,999,797 | 589,997,970 | 62,799,960 | 627,999,600 |
| Rabiya Muzaffar | 100 | 1,000 | 20 | 200 |
| Aslam Hayat Piracha | 100 | 1,000 | 20 | 200 |
| Sherique Azim Siddiqui | 1 | 10 | - | - |
| Hussain Kuli Khan | 1 | 10 | - | - |
| Aqdas Faraz Tahir | 1 | 10 | - | - |
| | <u>59,000,000</u> | <u>590,000,000</u> | <u>62,800,000</u> | <u>628,000,000</u> |
| Relatives | | | | |
| Saleha Basit | 5,000,000 | 50,000,000 | 8,500,000 | 85,000,000 |
| Naila Paracha | 7,000,000 | 70,000,000 | 11,900,000 | 119,000,000 |
| Roshanay Paracha | 7,000,000 | 70,000,000 | 11,900,000 | 119,000,000 |
| Sania Paracha | 7,000,000 | 70,000,000 | 11,900,000 | 119,000,000 |
| Mishaal Paracha | 7,000,000 | 70,000,000 | 11,900,000 | 119,000,000 |
| Yasir Hayat Piracha | 33,000,000 | 330,000,000 | 56,100,000 | 561,000,000 |
| | <u>66,000,000</u> | <u>660,000,000</u> | <u>112,200,000</u> | <u>1,122,000,000</u> |
| | <u>125,000,000</u> | <u>1,250,000,000</u> | <u>175,000,000</u> | <u>1,750,000,000</u> |

Restriction on use and distribution

This certificate is issued in relation to Clause 13 of Appendix-1 of the Chapter 5 of Pakistan Stock Exchange Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours faithfully



EY Ford Rhodes
Chartered Accountants
Engagement Partner: Abdullah Fahad Masood
Lahore: 20 November 2019

6.4 SHARE BREAK-UP VALUE CERTIFICATE



EY Ford Rhodes
Chartered Accountants
306-B1, 30th Floor, Pace Mall Building
M. M. Alam Road, Dabwali
P.O. Box 104, Lahore-54400

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
e: info@ey.com
ey.com/ke

LA/1884/19
20 November 2019

Chief Financial Officer
Airlink Communication Limited
1 Al Qadir Heights
Garden Town
Lahore

Dear Sir

PRACTICING MEMBERS' CERTIFICATE ON BREAK-UP VALUE PER SHARE - 31 OCTOBER 2019 BASED ON UN-AUDITED MANAGEMENT ACCOUNTS

We have been requested to certify the annexed computation of break-up value per share (initialed by us for identification) of Airlink Communication Limited (the Company) as at 31 October 2019 based on un-audited management accounts for submission to Pakistan Stock Exchange as required under sub-regulation (a) of regulation 5.2.2, Appendix-I (15) of Pakistan Stock Exchange regulations.

Scope of Certificate

We are required to review and certify the break-up value per share of the Company as at 31 October 2019 based on un-audited management accounts (Annexure A) prepared by the management of the Company.

Management Responsibility

The responsibility for computation of break-up value per share of the Company as at 31 October 2019 is that of its management.

Auditors' Responsibility

Our responsibility is to review the computation for its mathematical accuracy and compliance with Technical Release 22 of Institute of Chartered Accountants of Pakistan, Book Value per Share, in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- I. Obtaining computation of break-up value per share as at 31 October 2019 prepared by the management based on un-audited management accounts for the period ended 31 October 2019;
- II. Obtaining Form 3 submitted to Securities Exchange Commission of Pakistan;
- III. Matching the values of net assets (issued, subscribed and paid up capital, unappropriated profit and general reserves) and number of shares used in calculation mentioned in i. above with those in the un-audited management accounts for the period ended 31 October 2019 and Form 3; and
- IV. Recalculating break up value per share as at 31 October 2019. *Ex.*

Page 1 of 2

A member firm of EY Limited, a Swiss entity



Certificate

Based on procedures mentioned above, we certify the computation of break-up value per share amounting to Rs. 12.30 as at 31 October 2019 based on un-audited management accounts, as mentioned in Annexure A.

Restriction on use and distribution

This certificate is issued in relation to submission of break-up value computation to Pakistan Stock Exchange and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attached computation.

Yours faithfully



EY Ford Rhodes
Chartered Accountants
Engagement Partner: Abdullah Fahad Masood
Lahore: 20 November 2019



AIR LINK COMMUNICATION LIMITED

Annexure A

Computation of break-up value per share as at 31 October 2019

| | Unit | | |
|--|------------------|-------|----------------------|
| Issued, subscribed and paid up capital | Rupees | | 2,500,000,000 |
| Unappropriated profit up to September 30, 2019 | Rupees | | 979,126,794 |
| General Reserves | Rupees | | 44,559,977 |
| Net assets as at 30 September 2019 Reviewed Accounts | Rupees | | 3,523,686,771 |
| Add: Unappropriated profit for the month of October 31, 2019 (Management accounts) | Rupees | | 165,982,167 |
| Net assets as at 31 October 2019 as per un-audited management accounts | Rupees | A | <u>3,689,668,938</u> |
| Number of shares as at 31 October 2019 as per share register | Number | B | 300,000,000 |
| Break-up value per share | Rupees per share | A / B | <u>12.30</u> |


 Chief Executive Officer

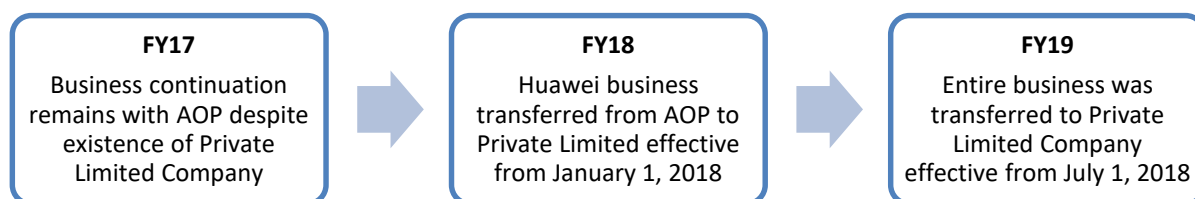

 Chief Financial Officer



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 Email: info@airlinkcommunication.net Web: www.airlinkcommunication.net
 UAN: 042-111-667-468

6.5 SUMMARY OF FINANCIAL HIGHLIGHTS AND RATIOS FOR PRECEDING YEARS



| Amount in PKR '000 | FY17 (Audited) | FY18 (Audited) | FY19 (Audited) |
|-------------------------------|----------------|-------------------------|---------------------------------------|
| Incorporation Status | AOP* | AOP + Private Limited** | Acquisition of AOP by Private Limited |
| Income Statement | | | |
| Revenue | 13,274,903 | 24,151,333 | 29,785,527 |
| Gross Profit | 1,837,360 | 3,147,191 | 3,986,289 |
| EBITDA | 1,470,846 | 2,655,613 | 3,280,476 |
| Operating Profit | 1,454,025 | 2,631,839 | 3,246,199 |
| Profit Before Tax | 1,307,682 | 2,290,282 | 2,594,675 |
| Profit After Tax | 674,310 | 1,233,868 | 1,479,859 |
| Balance Sheet | | | |
| Non-current Assets | 98,860 | 130,361 | 322,527 |
| Current Assets | 5,689,826 | 10,056,168 | 14,644,997 |
| Total Assets | 5,788,687 | 10,186,528 | 14,967,523 |
| Share Capital | 500,000 | 1,000,000 | 2,500,000 |
| Total Equity | 2,124,282 | 2,656,297 | 3,140,934 |
| Non-current Liabilities | 13,997 | 46,992 | 802,601 |
| Current Liabilities | 3,650,408 | 7,483,240 | 11,023,989 |
| Key Ratios | | | |
| Gross Margin | 13.8% | 13.0% | 13.4% |
| EBITDA Margin | 11.1% | 11.0% | 11.0% |
| Operating Profit Margin | 11.0% | 10.9% | 10.9% |
| Net Margin | 5.1% | 5.1% | 5.0% |
| Earnings Per Share (PKR) | N/A | N/A | 6.24 |
| Breakup Value Per Share (PKR) | N/A | N/A | 12.30 |
| Debt to Equity Ratio | 0.96 | 1.60 | 2.50 |
| Debt to Assets Ratio*** | 0.35 | 0.42 | 0.52 |
| Current Ratio*** | 1.56 | 1.34 | 1.33 |
| Return on Assets | 13.9% | 15.4% | 11.8% |
| Return on Equity | 41.4% | 51.6% | 51.1% |

*The entire business was conducted as an AoP up till FY17.

**Consolidated financials of the AoP and the Company as the business was conducted under both.

*** The Company has to open a letter of credit / import contract via financing from banks in accordance with SBP requirement against which a receivable, i.e. margin against letter of credit, is booked. As a result, Debt to Assets Ratio along with Current Ratio more accurately reflects the Company's debt exposure as compared to the Debt to Equity Ratio.

6.6 SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENDITURE

| Amount in PKR '000 | FY17 (Audited) | FY18 (Audited) | FY19 (Audited) |
|-----------------------------------|-------------------|-------------------|-------------------|
| Major Items of Revenue | | | |
| Local | 12,287,931 | 21,068,070 | 29,384,008 |
| Export* | 1,020,298 | 3,099,229 | 2,700,827 |
| Service Income | - | - | 44,227 |
| Gross Revenue | 13,308,228 | 24,167,299 | 32,129,062 |
| Less: Sales tax | (7,039) | (13,914) | (44,560) |
| Less: Discounts | (26,287) | (2,052) | (2,298,974) |
| Total | 13,274,903 | 24,151,333 | 29,785,527 |
| | | | |
| Major Items of Expenditure | | | |
| Cost of Local Sales | 9,372,452 | 16,726,304 | 20,585,380 |
| Cost of Export Sales | 1,008,014 | 2,655,328 | 2,229,607 |
| Sales Tax - Mobiles | 989,696 | 1,349,304 | 1,162,990 |
| Sales Tax – Tablets | - | 7,665 | 10,573 |
| Regulatory Duty | 38,926 | 224,884 | 1,739,385 |
| Custom Duty – Tablets | - | 1,474 | 3,287 |
| Domestic Carriage | 2,310 | 1,407 | 1,566 |
| Insurance | 11,680 | 7,460 | 9,547 |
| Clearing Charges | 14,466 | 30,317 | 56,904 |
| Total | 11,437,543 | 21,004,142 | 25,799,238 |

* Air Link exports mobile phones to other markets to efficiently manage inventory.

Air Link would be the first company from the communications equipment sector that will be listed on PSX. Therefore, there are no local peers to conduct a comparative financial analysis with.

6.7 REVALUATION OF THE ASSETS

No revaluation of assets has been carried out.

6.8 DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required. The company intends to distribute post-tax profits to shareholders annually, depending upon the business environment, legal and regulatory requirements and its overall impact of business.

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act, 2017.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act, 2017.

Under Section 242 of the Companies Act, 2017, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".

Details of dividends and/or bonus shares issued over the past five years are as follows:

| Description | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|-----------------|------|------|------|------|------|-------------|------------|
| Dividends (PKR) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Bonus (Shares) | N/A | N/A | N/A | N/A | N/A | 125,000,000 | 50,000,000 |

Covenants / Restriction on Payment of Dividends:

It is stated that there is no restriction on Air Link Communication Limited by any regulatory authority, creditors, stakeholder etc. on the distribution and capitalization of its profits except if an Event of Default has occurred and/or is continuing on its convertible debt mentioned in section 11.1.1.

6.8.1 Dividend Payout History of Listed Associated Companies over which the Issuer has Control

The Issuer does not exert control over any of the listed associated companies who are associates by way of common directorship as mentioned in section 3.12.

7 MANAGEMENT OF THE COMPANY

7.1 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake:

- That neither Issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:
 - which had been declared defaulter by the securities exchange or futures exchange; or
 - whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc. which has been de-listed by the securities exchange due to non-compliance of its regulations.
 - which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- That none of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

7.2 BOARD OF DIRECTORS OF THE COMPANY

| S. No. | Name | CNIC | Address | Designation | Period of Directorship at Issuer | Partnership/ Directorships in other companies |
|--------|-------------------------|-----------------|--|--|----------------------------------|--|
| 1. | Muzzaffar Hayat Piracha | 42000-7994715-9 | House No. 26/1-G, Model Town, Lahore | Chief Executive Officer / Executive Director | January 2014 to Current | Select Communication (Pvt.) Ltd., Best Electronics (Pvt.) Ltd., Air Link Inc. Canada, Air Link Communication DMCC, UAE, RFK Holidays LLC, UAE, TF tech n food GmbH |
| 2. | Aslam Hayat Piracha | 384037-961852-5 | H.No. 101, Sultan Colony, Linke College Road, Sargodha | Chairman / Non-executive Director | April 2019 to Current | None |
| 3. | Rabiya Muzzaffar | 61101-4615061-8 | House No. 26/1-G, Model Town, Lahore | Non-executive Director | March 2019 to Current | None |
| 4. | Syed Nafees Haider | 35201-6294564-3 | House No. 35-C, Ali View Garden, Badian Road, Lahore Cantt | Executive Director | October 2019 to Current | None |
| 5. | Sharique Azim Siddiqui | 42301-0886627-7 | House No. 10-A/II, sunset street Ph 2, DHA, Karachi | Independent Director | October 2019 to Current | Pakistan International Containers Limited, Pakistan International Bulk Terminal Limited |
| 6. | Hussain Kuli Khan | 37405-0365155-9 | House No. D-274, 24 th South | Independent Director | October 2019 to Current | General Tyres and Rubber Company of |

| | | | | | | | |
|----|-------------------|-----------------|---|----------------------|-------------------------|-------------------------|-------------------|
| | | | Street Navy Housing Scheme, Karachi | | | Pakistan Gammon Limited | Limited, Pakistan |
| 7. | Aqduz Faraz Tahir | 61101-7139886-1 | House No. 95, Street No. 10, Sector: I-8/1, Islamabad | Independent Director | October 2019 to Current | None | |

7.3 PROFILES OF DIRECTORS

7.3.1 Mr. Muzaffar Hayat Piracha – Chief Executive Officer (Executive Director)

Mr. Piracha has been instrumental in the sustained growth of Air Link from a relatively smaller set-up to an entity which generated PKR 30 BN in revenue in FY19. He entered into telecom and communications sector in 2010 to form Air Link.

In Air Link, he partnered with Huawei to bring EVDO devices in Pakistan through PTCL's network. Although 3G services were not officially launched, PTCL's CDMA network offered 3G speeds and through the vision of Mr. Piracha who established and fostered relationships with Huawei and PTCL, the company gained a first-mover advantage and became Huawei's licensed distributor for Telecommunication devices and accessories.

In 2016, Mr. Piracha signed an agreement with Samsung, which being an established brand, were impressed by Air Link's nationwide distribution network for Huawei smartphones..

Mr. Piracha's vision for Air Link is to use the FMCG model employed by large multi-nationals and use it to develop a multi-faceted distribution network. Apart from Air Link, Mr. Piracha is considered an industry stalwart and has assisted Pakistan Telecom Authority in formation and implementation of Device Identification Registration and Blocking System (DIRBS) to eliminate illegal import of telecom devices in Pakistan.

7.3.2 Mr. Aslam Hayat Piracha – Chairman / Non-executive Director

Mr. Aslam Hayat Piracha belongs to a well-known business family of Sargodha. His leadership experience spans over five decades with core specialty in trading. He started his business career in late 60s as a trader, importing and exporting textile products. In the early 80s, he laid the foundation of a manufacturing unit of textile garments by installing knitting machines.

He is a cosmopolitan, result driven, and self-motivated individual with a proven ability to develop and strengthen management teams in order to maximize company profitability and efficiency. He has maintained professional and sustainable relationships with customers and suppliers over the long term giving him a competitive advantage in the industry.

Mr. Aslam Hayat Piracha actively participates in CSR and welfare activities of the company and is involved in development of Bhera Community Center – a state of art medical and community center.

7.3.3 Mrs. Rabiya Muzaffar – Non-executive Director

Mrs. Rabiya Muzaffar is Masters in Business Administration from NUST University, Islamabad.

Her core specialty is in Marketing and Human Capital Management. She utilizes her skills for improvement of efficiencies, job satisfaction and retention of human resource.

She also has experience of outdoor media and marketing campaigns with the objectives of accessing the target market. She believes in continuous training and development of human resources in order to make them compatible for the emerging era.

She has attended various conferences, seminars of human capital management.

7.3.4 Mr. Syed Nafees Haider – Executive Director

Mr. Haider began his career in 2003 and has been associated with Air Link Communication since its inception.

He is involved in formulating and implementation of the circle distribution strategy, in consultation with the Sales Head. He provides valuable input to the overall sales strategy through in-depth market analysis to drive profitability of the distribution channel. He sets forth strategic and operational plans for achieving sales targets by the distribution network. He plans the launch of new products in the distribution channel with the sales and marketing heads. He also coordinates and liaisons with vendors about new development in market dynamics and its implications.

Prior to Air Link, Mr. Nafees was associated with stock brokerage and tourism industry.

7.3.5 Mr. Sharique Azim Siddiqui – Independent Director

Mr. Siddiqui is the CEO of Pakistan International Bulk Terminal Limited (PIBT). PIBT is Pakistan's first bulk terminal for handling cement, clinker and coal set up at a cost of USD 305 million.

He led the team for the bidding of the PIBTL's terminal in 2007 and was instrumental in the planning and execution of the project. He joined Marine Group of Companies in 1997 and was involved in various Group Ventures. He served as Project Director and Chief Operating Officer at Pakistan International Container Terminal Ltd. from 2002 till 2012 and was in-charge of container terminal's project planning, coordination and implementation.

He also served as CEO of Marine International Container Terminal - an inland Container Depot project with Railways connectivity in Lahore. He did his Bachelors and Masters of Arts in Economics from Tufts University, Boston, USA.

7.3.6 Mr. Hussain Kuli Khan – Independent Director

Mr. Khan is the CEO of General Tyres Limited, an accomplished professional with substantial and diversified managerial and leadership experience in the manufacturing sector.

He has served as President and Vice President of Landhi Association of Trade and Industry (LATI), Karachi. Prior to that, he held Executive Finance and Executive Director Finance positions from 1997 – 2006 at JDM Textile Mills Limited. In 2003, he was elected as the chairman of All Pakistan Textile Mills Association (APTMA) Khyber Pakhtunkhwa and Vice Chairman APTMA Central Body.

Inheriting key leadership and entrepreneurial skills and attributes for his family, Mr. Khan is in receipt of Business Administration qualification from Gettysburg College, USA and attended several professional programs in Europe. Mr. Khan is also Certified Director from Pakistan Institute of Corporate Governance.

7.3.7 Mr. Aqduz Faraz Tahir – Independent Director

Mr. Tahir is an established telecom procurement consultant who played an instrumental role in the procurement, logistics and implementation of the PTCL and Ufone telecom network as per international best practices.

He has served as Advisor to PTCL Procurement for implementation of succession setup. Prior to that, he held the position of Executive Vice President (Group Procurement) at PTCL & Ufone where his responsibilities included heading procurement, logistics and implementation of transformation of procurement setup as recommended by McKenzie. Moreover, he supervised the merger of traditional turnkey and supply sections based on latest technologies.

He did his Masters of Technology Management from Griffith University, Brisbane, Australia.

7.4 PROFILE OF OTHER KEY MANAGEMENT

7.4.1 Mr. Nusrat Mahmood – Chief Financial Officer

Mr. Mahmood is an achievement-oriented, talented and accomplished Management Accountant and Chemical Engineer with 19 years of experience. He has a proven track record of directing corporate operations, with investment related ability to implement effective policies and procedures, internal controls systems, and Enterprise Resource Management systems. He is well versed in designing Balance Score Cards, Budget Management, Forecasting and Negotiations, preparing Feasibilities and Due Diligence.

He has hands on experience of diversified businesses including textiles, fertilizers and telecom. Mr. Mahmood is a Chemical Engineer and fellow member of Institute of Cost and Management Accountants Pakistan.

7.4.2 Mr. Syed Adeel Ahmed – Chief Operating Officer

Mr. Adeel Ahmed holds a Master's degree in Business Administration from LUMS (Lahore University of Management Sciences) and is also a Fellow member of Institute of Cost and Management Accountants of Pakistan. He has been serving large local and multinational conglomerates as part of the senior management team since 2000.

During his distinguished career of 24 years so far, he has led Sugar Mills, Bio Ethanol Distillery, Gold Refinery (Al Ghurair), a Japanese Paint Company (Kansai), Pakistan's top appliances brand (Dawlance), most renowned worsted fabric and suiting brand (Lawrancepur) and pioneer cladding tiles industry (Envicrete) at top positions such as Business Head, CFO, Company Secretary, GM etc.

He has been a member of multiple senior teams, committees and boards which devise strategies and future plans for organizations. Mr. Adeel Ahmed is also the Chairman of Sugar Advisory Board and Institute of Cost and Management Accountants of Pakistan.

7.4.3 Mr. Mian Irfan – Head of Sales

Mr. Irfan is an accomplished professional with over 23 years of extensive experience in telecom industry, encompassing complete aspects of marketing and sales. He has diversified experience of managing his own business and serving at the top management of different organizations.

He started his career in marketing & communications, brand management, PR, business development, sales and distribution. Mr. Irfan has rich professional experience in developing, revamping and marketing brands and leading business units. As Sales Head, he effectively leads nationwide business and corresponds with the vendors on critical issues.

Mr. Irfan holds a Master's in Business Administration (Finance) and Certification in Accounts and Finance.

7.4.4 Mr. Amer Latif – Company Secretary & Head of Legal Affairs

Mr. Amer brings with him more than 18 years of experience in Company Secretarial functions, Corporate Laws, Regulatory Affairs & Office Administration in both the Public and Private Sector. He is member of Lahore Bar Association.

He is involved in improving the reporting capabilities of the Company, ensuring compliance with statutory regulations and developing an internal control environment in the Company. He ensures compliance of the Company with Statutory and Regulatory Bodies. He also looks after litigation matters of the Company. Moreover, he has a vital role in dealing with SECP, CCP, CDC and other regulatory departments.

In the past, he has had professional associations with SECP's Company Law Division and with METRO Cash & Carry Pakistan, a member company of German Group METRO AG.

7.5 APPOINTMENT AND ELECTION OF DIRECTORS

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 of the Companies Act, 2017 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, 2017, the Company may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

The Company may remove a Director in accordance with the provisions of the Ordinance.

The current Board of Directors were appointed on October 01, 2019 and the next election is tentatively scheduled for **October** 2020.

The Company will comply with the Listed Companies (Code of Corporate Governance) Regulation, 2019 as and when the regulations will be applicable on it.

7.6 INTEREST OF DIRECTORS AND THEIR SHAREHOLDING

The directors may deem to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company.

Following directors are holding ordinary shares of the Company:

| Name | Designation | Number of Shares Held | Value of Shares Held |
|-------------------------|--------------------------|-----------------------|----------------------|
| Muzzaffar Hayat Piracha | CEO / Executive Director | 121,799,757 | 1,217,997,570 |
| Aslam Hayat Piracha | Chairman | 120 | 1,200 |
| Rabiya Muzzaffar | Non-executive Director | 120 | 1,200 |
| Sharique Azim | Independent Director | 1 | 10 |
| Hussain Kuli Khan | Independent Director | 1 | 10 |
| Aqduz Faraz | Independent Director | 1 | 10 |

7.7 BENEFITS TO SPONSOR SHAREHOLDER AND OFFICERS DURING THE LAST THREE YEARS

No amount has been paid in lieu of benefits during the last year or is intended to be paid or given to any sponsor shareholders or to any officer of the Bank other than as remuneration for services rendered as full-time executives of the Bank or as meeting fee for attending Directors Committee meetings to non-executive directors as per the approved scale of fee.

7.8 VOTING RIGHTS

According to Article 34, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of Directors in which case the provisions of Section 159 of the Companies Act, 2017 shall apply. On a poll every member shall have voting rights as laid down in Section 134 of the Companies Act, 2017.

Every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote in respect of each share held by him.

7.9 BOARD AUDIT COMMITTEE

The Board of Directors has set up an audit committee managed by suitable, qualified and experienced personnel who are conversant with the policies and procedures of the Company. The Committee shall liaise with both external and internal auditors, Chief Financial Officer and the Exchange's management and oversee all matters relating to accounting, auditing, information security, internal control and financial reporting.

The audit committee comprises of the following members:

1. Mr. Hussain Kuli Khan – Chairman / Independent Director
2. Mr. Sharique Azim Siddiqui – Independent Director
3. Ms. Rabiya Muzzaffar – Non-executive Director

7.10 BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up a Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The human resource and remuneration committee comprises of the following members:

1. Mr. Sharique Azim Siddiqui – Chairman / Independent Director
2. Mr. Aqdu Faraz Tahir – Independent Director
3. Mr. Muzzaffar Hayat Piracha – Chief Executive Officer / Director

7.11 POWER OF DIRECTORS

As per Article 45, the business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as by the Act, by the Articles or by the Special Resolution, required to be exercised by the Company in general meeting.

7.12 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

7.13 QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act, 2017, or any other law for the time being in force.

7.14 REMUNERATION OF DIRECTORS

As per Article 43, the remuneration of the directors shall from time to time be determined by the Company in general meeting subject to the provisions of the Companies Act, 2017.

The remuneration of a director for attending meetings of the Board shall from time to time be determined by the Board of Directors.

Each director of the Company may, in addition to any remuneration receivable by him, be reimbursed his reasonable travelling and hotel expenses incurred in attending meetings of the Board of Directors or of the Company or otherwise whilst employed on the business of the Company.

7.15 BORROWING POWERS

As per Article 47, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or the obligation of the Company.

7.16 INDEMNITY

As per Article 118 of the Articles of Association, every officer or agent of the Company shall for the time being be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him in which judgment is given in his favor or which he is acquitted or in connection with any application under section 488 of the Companies Ordinance, 1984 (currently section 492 of the Companies Act, 2017) in which relief is granted to him by Court.

7.17 CORPORATE GOVERNANCE

The Company shall comply with all the applicable rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

7.18 INVESTMENT IN ASSOCIATED COMPANIES

Air Link Communication Limited has made no investment in any associated companies.

7.19 CAPITALIZATION OF RESERVES

Air Link has carried out capitalization of reserves as follows:

| S. No. | Mode of Capitalization | Total Reserves Capitalized (PKR) | Date of Capitalization |
|--------|------------------------|----------------------------------|------------------------|
| 1 | Bonus Issue | 1,000,000,000 | 21/12/2018 |
| 2 | Bonus Issue | 250,000,000 | 20/03/2019 |
| 3 | Bonus Issue | 500,000,000 | 28/10/2019 |

8 LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1 LEGAL PROCEEDINGS

The Company, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, do not have any outstanding legal proceedings which could have a material impact on the Issuer other than tax related proceedings occurring during the normal course of business which include:

- Additional Sales Tax Refund Claim U/s 66A of Sales Tax Act, 1990 (W.P. No. 24963/2014)
- Super Tax Section 4B W.P No. 135218 of 2018

There has been no action taken by the securities exchange with respect to non-compliance of its regulations against the Issuer or associated listed companies of the issuer during the last three years.

8.2 OVERDUE LOANS

There is no instance of an overdue amount of the Issuer, its sponsors, promoters, substantial shareholders, directors and associated group companies over which the issuer has control appearing in the Credit information Bureau (CIB) report.

9 UNDERWRITING, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Book Building Portion

JS Global Capital Limited has been appointed as the Book Runner to the Issue. The Book Runner has underwritten 90,000,000 shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

The General Public Portion of the Issue has not been underwritten in accordance with regulation 7(4) of the PO Regulations.

9.2 OPINION OF DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors, the resources of the Book Runner are sufficient to discharge its underwriting commitments / obligations.

9.3 UNDERWRITING COMMISSION

Book Building Portion

No underwriting commission for the Book Building portion will be paid. The amount of security deposited by the defaulting Bidder shall however, be forfeited to the Book Runner, in case any of the successful bidders failed to pay the margin money within the specified time period.

9.4 BUY BACK / REPURCHASE AGREEMENT

The book runner in the capacity as underwriter of the book building portion has not entered into any buy back / re-purchase agreement with the company or any other person in respect of this issue of shares.

Also, neither the company nor any of its associates have entered into any buy back / re-purchase agreement with the book runners in the capacity as underwriter or its associates. The company and its associates shall not buy back / re-purchase shares from the book runners and its associates taken up, if any, by it in capacity as the book runner.

9.5 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with Retail Portion of the Issue.

9.6 FEES AND EXPENSES FOR THE CENTRALIZED E-IPO SYSTEM

Commission on application received through CES will be paid to CDC which shall not be more than 0.8% of the amount of the successful applications. CDC will share the fee with other participants of CES at a ratio agreed amongst them.

9.7 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No

brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.8 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 201,094,000/- based on Floor Price. The break-up of these preliminary expenses is given below:

| Expenses to the Issue | Rate | Amount (PKR) |
|---|------------------------|--------------------|
| Consultant to the Issue Fee* | 1.50% | 75,600,000 |
| Book Runner Fee* | 1.00% | 50,400,000 |
| TREC Holder's Commission* | 1.00% | 50,400,000 |
| Bankers to the Issue Commission – Public Portion* | 0.25% | 3,150,000 |
| Bankers to the Issue – Out of Pocket | | 600,000 |
| Bankers to the Issue – e-IPO Facility Charges | | 600,000 |
| Marketing, Printing and Publication Expenses | | 6,000,000 |
| PSX Initial Listing Fee | | 1,500,000 |
| PSX Services Fee | | 50,000 |
| PSX Software Charges for Book Building | | 500,000 |
| CDC Fresh Issue Fee* | 0.16% | 8,064,000 |
| CDC Annual Listing Fee | | 680,000 |
| SECP Application Processing Fee | | 1,400,000 |
| SECP Supervisory Fee | 10% of PSX Listing Fee | 150,000 |
| Balloter & Share Registrar Fees | | 1,000,000 |
| Miscellaneous Expenses | | 500,000 |
| Shariah Advisor Fee | | 500,000 |
| Total | | 201,094,000 |

* These amounts represent the maximum possible costs under these heads based on Floor Price.

10 MISCELLANEOUS INFORMATION

10.1 REGISTERED OFFICE

Air Link Communication Limited

LG-2, Al – Qadeer Heights, 1 – Babar Block

New Garden Town, Lahore.

Phone: 92-42-35844063-6

Email: support@airlinkcommunication.net, info@airlinkcommunication.net

10.2 BANKERS TO THE ISSUE FOR BOOK BUILDING

JS Bank Limited

75 Circular Road, Lahore.

Phone: 042-37667922-25

Email: rehman.fakhar@jsbl.com

10.3 BANKERS TO THE ISSUE FOR GENERAL PORTION

1. United Bank Limited*

UBL City Building, 1st Floor,

I.I Chundrigar Rd, Seari Quarters, Karachi

Phone: 0300-2678835

Email: nadeem.hami@ubl.com.pk

2. Bank Alfalah*

Main branch, I.I. Chundrigar Road, Karachi

Phone: 0300-2678835

Email: aban.ali@bankalfalah.com

3. Dubai Islamic Bank Limited

34-35, Shahrah e Quaideen,

Mall Road, Lahore

Phone: 042-37240223-6

Email: waqar.ahmed@dibpak.com

4. MCB Bank Limited

19th Floor, MCB Tower, I.I. Chundrigar Road, Karachi

Phone: 92-343-251-6699

Email: talha.ameer@mcb.com.pk

5. Faysal Bank Limited

Main Boulevard Gulberg Branch, Lahore

Phone: 0300-8031007

Email: ahsannaseer@faysalbank.com

6. Bank Al Habib Limited

8th floor, Techno City building, Hasrat Mohani Road

Off I.I. Chundrigar Road, Karachi

Phone: 021-32277231-39

Email: cmu@bankalhabib.com

7. Meezan Bank Limited

Gulberg Branch, Lahore

Phone: 0321-4013600

Email: mohsin.masood@meezanbank.com

8. Soneri Bank Limited

Corporate Branch (0121),

307 Upper Mall, Lahore

Phone: 92-322-4373887

Email: shakeel.ahmad@soneribank.com

9. Habib Metropolitan Bank Limited

Ferozepur Road, Moauza Attari, Lahore

Phone: 042-35402007

Email: kashif.piracha@habibmetro.com

10. JS Bank Limited

75 Circular Road, Lahore

Phone: 042-37667922-25

Email: rehman.fakhar@jsbl.com

*These banks will provide their own e-IPO Systems. Account holders of these banks can make application for subscription of shares electronically.

10.4 BID COLLECTION CENTERS

| Karachi | | | |
|------------|---|-----------|---|
| Name: | Zeeshan Abid Siddiqui / Maaz Ahmed Khan | Name: | Osama Yaqoob |
| Phone: | 021-3889-3069 | Phone: | +92-21-34835701-9 |
| Fax: | | Fax: | |
| E-mail: | zeeshan.siddiqui@js.com / maaz.khan@js.com | E-mail: | osama.yaqoob@js.com |
| Address: | 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi | Address: | Suite No. 607 /A, 6th Floor, Al Ameen Towers, Plot # E-2, Block-10, Gulshan-e-Iqbal, Main NIPA, Karachi |
| Lahore | | Islamabad | |
| Name: | Ibraheem Abid Mir | Name: | Zahid Mahmood |
| Phone: | +92-42-35291025 | Phone: | +92-51-111-574-111 |
| Fax: | | Fax: | +92-51-2894417 |
| E-mail: | ibraheem.mir@js.com | E-mail: | zahid.mahmood@js.com |
| Address: | Plot No. 434, G/1, 2nd Floor, MA Johar Town, Lahore | Address: | Office No. 413, 4th Floor, ISE Towers 55-B, Jinnah Avenue, Islamabad |
| Peshawar | | Multan | |
| Name: | Zeeshan Aleem | Name: | Muhammad Riaz Naseeb Khan |
| Phone: | +92-91-5285221-5 | Phone: | +92-61-4570260-66, 68, 69 |
| Fax: | | Fax: | +92-61-4570267 |
| E-mail: | zeeshan.aleem@js.com | E-mail: | riaz.khan@js.com |
| Address: | 1st Floor, SLIC Building # 34, The Mall Road, Peshawar Cantt, Peshawar | Address: | Office # 608-A, 6th Floor, United Mall, Plot # 74, Abdali Road, Multan |
| Faisalabad | | Quetta | |
| Name: | Rakshanda Javed Malik | Name: | Mr. Zarak Khan Kasi |
| Phone: | +92-41-2541900-8 | Phone: | 081-286 5503-5 |
| Fax: | +92-41-2541909 | Fax: | |
| E-mail: | rakshanda.javed@js.com | E-mail: | zarak.khan@jsbl.com |

Address: Office No. G-4, Meezan Executive Tower, Liaquat Road, Faisalabad

Address: Khasra # 2 Qittat, Ward # 16, Tappa Urban # 01, M. A Jinnah Road, Opposite Bilal PCO Tehsil City & District, Quetta

| Gilgit | | Azad Kashmir | |
|----------|--|--------------|--|
| Name: | Mr. Iftikhar Hussain | Name: | Mr. Ejaz Hussain |
| Phone: | 05811-450610-12 | Phone: | 05827-4488672-73 |
| Fax: | | Fax: | |
| E-mail: | iftikhar.hussain@jsbl.com | E-mail: | ejaz.hussain@jsbl.com |
| Address: | Qalander Plaza, City Tower, Cinema Bazar, Gilgit | Address: | Younus Plaza, Allama Iqbal Road, Nangi Azad Kashmir |

10.5 BANKERS OF THE COMPANY

| Name of Bank | Address | Phone/Cell No. | Email |
|-------------------------------------|---|----------------|--|
| Allied Bank Limited | Wahdat Road, Lahore | 0321-4558559 | usman@alliedbank.com |
| Bank Alfalah Limited | 7-E Venus Plaza Egerton Road, Lahore | 0321-4559588 | faisalaslambankalfalah.com |
| Bank Al Habib Limited | 23 A/ K Gulberg 2 Lahore | 0335-3035901 | farhan.rizvi@bankalhabib.com |
| Dubai Islamic Bank Pakistan Limited | Shahra E Quaid E Azam, Mal Road Lahore | 0321-4940081 | mudassar.ghaffar@dibpak.com |
| Faysal Bank Limited | Main Boulevard Garden Town, Usman Block Garden Town, Lahore | 0300-8031007 | ahsannaseer@faysalbank.com |
| Habib Bank Limited | Liberty Market Branch Gulberg 3, Lahore | 0321-9417025 | waleed.khalid@hbl.com |
| Habib Metropolitan Bank Limited | Ferozepur Road Mouza Attari, Opposite Nashtar Bazar, Lahore | 0321-4010219 | kashif.piracha@habibmetro.com |
| JS Bank Limited | 75 Circular Road Branch, Lahore | 0313-4353862 | khurram.shahzad5095@jsbl.com |
| Meezan Bank Limited | Main Boulevard Gulberg Branch Lahore | 0304-0921344 | PBO06.LHR01@meezanbank.com |
| Silk Bank Limited | 97-A/D-1, PEC Building Liberty, Block D 1 Gulberg III, Lahore | 0321-8800124 | faisal.shahid@silkbank.com |
| Summit Bank Limited | 853 D, Block Faisal Town Branch Lahore | 0334-9835686 | umairshabbir@summitbank.com.pk |
| Soneri Bank Limited | Shara-E- Quaid E Azam the Mall Road Branch Lahore | 0300-8096492 | sajid.magbool@soneribank.com |
| The Bank of Punjab | MM Alam Rd, Block K Gulberg 2, Lahore, Punjab | 0335-4652721 | mouzzam@bop.com.pk |
| United Bank Limited | Liberty Market Car Parking, Gulberg III, Lahore | 0300-4004363 | lhr.hbm0962@ubl.com.pk |

10.6 AUDITORS OF THE COMPANY

Ernst & Young Ford Rhodes

Chartered Accountants

4th Floor, Pace Mall Building,
96-B-1 Gulberg II, M. M. Alam Road,
Lahore, Pakistan

Phone: 92-42-35778402-11, 92-42-35778430

Email: hurr.raza@pk.ey.com

10.7 LEGAL ADVISOR OF THE COMPANY AND THE ISSUE

Hasham Wathra & Associates

Ilyas Building, Office No. 1, 2nd floor, 9-Turner Road
Lahore, Pakistan

Phone: 0300-7643002

Email: chhw80@lawyer.com

10.8 CONSULTANT TO THE ISSUE AND BOOK RUNNER

JS Global Capital Limited

The Centre, 17th Floor, Plot No. 28,
SB-5, Abdullah Haroon Road, Saddar,
Karachi-74400.

Phone: 021-111574111 Ext: 3068-70

Email: jsinvestmentbanking@js.com

10.9 COMPUTER BALLOTTER & SHARE REGISTRAR

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block 'B' S.M.C.H.S. Main Shakra-e-Faisal, Karachi.

Phone: 021-111-111-500 Ext: 3413

Email: matloob_hussain@cdcsrsl.com

10.10 UNDERWRITING RELATED INFORMATION

Within three (3) working days of the closing of the Bidding Period, a Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through Stock Exchange where the shares are to be listed.

Since the Issue is made through 100% Book Building, it is not required to be underwritten as per PO Regulation, 2017.

11 MATERIAL CONTRACTS AND DOCUMENTS

11.1 FINANCING FACILITIES

11.1.1 Private Placement in the Company

The Company issued by way of private placement, and in compliance with the requirements set out under the Private Placement of Securities Rules, 2017, and Section 66 of the Companies Act, 2017, redeemable capital, in the form of secured convertible Term Finance Certificates, for an aggregate face value of PKR 800 million (“**Issue**”) on January 3, 2019 (“**Issue Date**”). The Issue was subscribed by PCF Communication Investments (Private) Limited (PKR 416 million) and JS Bank Limited (PKR 384 million) (“**TFC Holders**”).

| Requirement | PKR 000 |
|---|----------------|
| Working Capital to finance growth | 800,000 |
| Funding | |
| Investors | |
| PCF Communication Investments (Private) Limited | 416,000 |
| JS Bank Limited | 384,000 |
| Total | 800,000 |

The key terms of the private placement are mentioned below:

| | First Issue | Second Issue |
|---|---|--|
| Investment Amount | PKR 400 Million | PKR 400 Million |
| Instrument Type | Secured, Mandatorily Convertible Term Finance Certificates issued as an instrument of redeemable capital under section 66 of the Companies Act, 2017 | Secured, Convertible Term Finance Certificates issued as an instrument of redeemable capital under section 66 of the Companies Act, 2017 |
| Issue Date | January 3, 2019 | |
| Tenor/Maturity | 3 years from the Issue Date | |
| Grace Period | 2 Years | |
| No. of Installments | 4 | |
| Repayment Frequency | Quarterly | |
| Face Value | PKR 1 Million | |
| Applicable Rate | 3 Months KIBOR + 5% | |
| Incentive Rate | 3 Months KIBOR + 1% | |
| Security | Ranking charge subordinate to each of the Existing Charge Holders of PKR 1,066.67 million on current assets of the Company and Personal Guarantees of Sponsor Shareholders. | |
| Company Listing / Event Deadline | Listing to occur within two (2) years from the Issue Date, extendable by six (6) months at the discretion of TFC Holders upon a written request by the Sponsor Shareholders submitted at least six (6) months prior to the Deadline. | |
| Conversion Option | Mandatory | Optional |
| Conversion Price | 20% discount to the Floor Price if IPO occurs after 12 Months of Issue Date | At Strike Price |
| Conversion Incentive Amount | <p>The Conversion Incentive Amount for each quarter, until the eight (8th) quarter or until the Listing Deadline shall be calculated as a difference of Applicable rate and Incentive rate using the formula stated below:</p> $\left(O * AR * \frac{N}{365}\right) - \left(O * IR * \frac{N}{365}\right)$ <p>Where: O = Outstanding Face Value AR = Applicable Rate N = Number of days IR = Incentive Rate</p> | |

| | | | | | |
|--------------------------------|--|------------|---|-----------------------|--|
| Incentive Refund Amount | <p>TFC Holders shall receive the Incentive Refund Amount: (i) in the case of First Issue, in the event that the TFCs are not Converted (ii) in the case of Second Issue, upon occurrence of (i) above. The Incentive Refund Amount shall, in either case, be payable as a bullet payment on the twenty fourth (24th) month from the Issue Date. The Incentive Refund Amount shall be calculated as the summation of Conversion Incentive Amount for each quarter from the Issue Date to the Listing Deadline using the formula stated below:</p> $\sum \left(CIA_{Q1} * \left(1 + \left(K + \frac{5\%}{4} \right) \right)^{t-1} + CIA_{Q2} * \left(1 + \left(K + \frac{5\%}{4} \right) \right)^{t-2} + \dots + CIA_{Q16} * \left(1 + \left(K + \frac{5\%}{4} \right) \right)^{t-16} \right)$ <p>Where: Σ = Sum of or Summation Sign CIA = Conversion Incentive Amount for each quarter K = Base Rate Q = Quarter, Q1 being the first (1st) Quarter from the Issue Date, Q2 being the second (2nd) Quarter from the Issue Date and until Q16, being the sixteenth (16th) Quarter from the Issue Date</p> | | | | |
| Early Redemption Amount | <p>(a) if the Call Option is exercised within twenty four (24) months from the Issue Date, the aggregate of Outstanding Face Value of the TFCs, Incentive Refund Amount, Early Redemption Fee plus any accrued but unpaid profit thereon, which has accrued from the last Redemption Date up to but excluding the Call Option Date; and (b) if the Call Option is exercised after expiry of twenty four (24) months from the Issue Date, the aggregate of Outstanding Face Value of the TFCs plus any accrued but unpaid profit thereon, which has accrued from the last Redemption Date up to but excluding the Call Option Date.</p> | | | | |
| Early Redemption Fee | <p>(a) 2% per annum of the Outstanding Face Value, up to the redemption date, if Call Option exercised within 12 months of Issue Date (b) 1% per annum of the Outstanding Face Value, up to the redemption date, if Call Option exercised during the period commencing the thirteenth (13th) month to the twenty fourth (24th) month</p> | | | | |
| Accelerated Redemption | <p>Upon the occurrence of an Event of Default and acceleration of the redemption of the TFCs, the Issuer shall be liable to pay the TFC Holders the Outstanding Amount in accordance with the Acceleration Notice issued to the Issuer. In the event the Issuer fails to pay the Outstanding Amount in accordance with Acceleration Notice, the Trustee shall have the right to forthwith take such proceedings against the Issuer as it may deem fit or as instructed by the TFC Holders. The Accelerated Redemption Amount shall be calculated as the summation of Conversion Incentive Amount for each quarter from the Issue Date to the Event of Default using the formula stated below:</p> $O + \left(O * IR * \frac{N}{365} \right) + \sum \left(CIA_{Q1} * \left(1 + \left(K + \frac{5\%}{4} \right) \right)^{x-1} + \dots + CIA_{Qx} * \left(1 + \left(K + \frac{5\%}{4} \right) \right)^{x-x} \right)$ <p>Where: O = Outstanding Face Value IR = Incentive Rate N = Number of days Σ = Sum of or Summation Sign CIA = Conversion Incentive Amount for each quarter K = Base Rate Q = Relevant quarter with Q1 being the first (1st) quarter from the Issue Date and Qx being the relevant quarter from the Issue Date containing the date proposed for Accelerated Redemption as stated in the Acceleration Notice. X = Number of quarters from the Issue Date till the relevant quarter containing the date proposed for Accelerated Redemption as stated in the Acceleration Notice.</p> | | | | |
| Investor's Option | <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Put</td> <td style="width: 50%;">Exercisable within 3 months after Event Deadline.</td> </tr> <tr> <td>Not Applicable</td> <td></td> </tr> </table> | Put | Exercisable within 3 months after Event Deadline. | Not Applicable | |
| Put | Exercisable within 3 months after Event Deadline. | | | | |
| Not Applicable | | | | | |

| | | |
|-------------------------------------|--|-----------------------|
| | <p>Put Price shall be calculated to deliver a 3M KIBOR + 6% annualized return using the formula stated below:</p> $PP = I * \left(1 + \left(K + \frac{6\%}{4}\right)^t\right) - (C + D)$ <p>Where: PP = Put Price I = Amount of Convertible TFC / First TFC Issue converted into Ordinary Shares K = Simple Average of 3 month KIBOR rate set at the beginning of each quarterly period during time period 't' t = The number of whole or part quarterly periods between the relevant Issue Date and the date of servicing of the Put Notice C = The Present Value of past Coupon payments received by the TFC Holders, with each Coupon payment brought to Present Value at an annualized return of KIBOR + 6% D = The Present Value of past Dividend payments received by the TFC Holders, with each Dividend payment brought to Present Value at an annualized return of KIBOR + 6%.</p> | |
| <p>Performance Incentive</p> | <p>Within three (3) months of the Listing of the Company, each of the Investors of First Issue, prorate undertake to pay a performance incentive compensation to the Sponsor Shareholders. The incentive amount is calculated as half of the difference between the strike price at the time of Book Building and 120% of the determined Floor Price using the formula stated below:</p> $PIC = \left[\left(\frac{CTFC}{(FP * (1 - DFP))} * SP \right) - \left(\frac{CTFC}{(FP * (1 - DFP))} * FP * MUAFP \right) \right] * PISP$ <p>Where: PIC = Performance Incentive Compensation in PKR payable to the Sponsor Shareholders by the TFC Holders C = Conversion of Mandatory Conversion of First TFC Issue amount in PKR FP = Determined Floor / Offer Price at the time of listing at the Stock Exchange DFP = Determined Discount to FP CP = Determined Conversion Price which is based on the FP and DFP SP = Strike Price as determined from Book Building at the time of listing at the Stock Exchange MUAFP = 120% or 1.2x of the Determined Floor Price PISP = Percentage of Performance Incentive sharing with the Issuer = 50%</p> | <p>Not Applicable</p> |

| | |
|-----------------------------|--|
| Conversion Approvals | Including but not limited to: (a) The Competition Commission of Pakistan (b) The Shareholders' for the increase in authorized capital of the Issuer and (c) Waiver / Approval by the Shareholders' to subscribe to right Shares pursuant to Section 83 of the Companies Act, 2017, or, to the extent applicable, approval of the Securities and Exchange Commission of Pakistan |
|-----------------------------|--|

Salient features of the Issue are noted below:

- The Issue consists of (i) secured, mandatorily convertible term finance certificate ("**First Issue**"), and (ii) secured optional convertible term finance certificate ("**Second Issue**") in equal proportion of PKR 400 Million.
- The Issue is secured by way of ranking charge subordinate to each of the Existing Charge Holders of PKR 1,066.67 million on current assets of the Company and Personal Guarantees of Sponsor Shareholders.
- The Issue has a maturity of up to three (3) years from the issue date and is repayable in four (4) equal quarterly installments with a grace period of two (2) years, in the event the Company is not listed on the PSX within (2) two years from the Issue Date ("**Listing Deadline**").
- TFC Holders at their sole discretion may agree to extend the Listing Deadline by six (6) months upon a written request by the Sponsor Shareholders submitted at least six months prior to the Listing Deadline.
- The Issue carries an Applicable Rate of 3 months KIBOR + 5.0% per annum and an Incentive Rate of 3 months KIBOR + 1.0% per annum.
- The profit shall be payable quarterly in arrears at the Incentive Rate, with the first profit payment to be made three (3) months from the Issue Date and subsequently every three (3) months thereafter.
- The Conversion Incentive Amount for each quarter, and until the end of two (2) years ("**Listing Deadline**") shall be calculated as a difference of Applicable rate and Incentive rate
- In the event the Company does not list within the Listing Deadline, the Company will pay to the TFC Holders an Incentive Refund Amount, which will be calculated as the future time value of the aggregate Conversion Incentive Amounts for each quarter from the Issue Date until the Listing Deadline. The Incentive Refund Amount shall be payable by the Company as a bullet payment on the twenty fourth (24th) month from the Issue Date.
- In the event the Company proceeds to list on the stock exchange through an offer for sale to the public, each of the shareholders including the TFC Holders will be entitled to sell their respective number of shares on a pro-rata basis at the Strike Price, unless agreed in writing otherwise between the shareholders and TFC Holders.
- In the event the Company proceeds to list on the stock exchange within the Listing Deadline,
 - The First Issue will mandatorily convert ("**Mandatory Conversion**") into ordinary voting shares of the Company prior to Company Listing. The Conversion Price will be calculated at a twenty (20%) discount to the Floor Price if Conversion takes place after twelve (12) months of Issue Date determined for the purpose of Listing.
 - The Second Issue can optionally convert into ordinary voting shares of the Company at the Strike Price determined through the book building method.
- The TFCs shall be converted into Shares of the Issuer after the Issuer has obtained all the Conversion Approvals.
- The Issue includes an Early Redemption feature (Call Option), as follows:
 - if the Call Option is exercised within twenty-four (24) months from the Issue Date, the Company will pay to the TFC Holders the aggregate of Outstanding Face Value of the TFCs, Incentive Refund Amount, and Early Redemption Fee plus any accrued but unpaid profit thereon, which has accrued from the last Redemption Date up to but excluding the Call Option Date; and
 - if the Call Option is exercised after expiry of twenty-four (24) months from the Issue Date, the Company will pay to the TFC Holders the aggregate of Outstanding Face Value of the TFCs plus

any accrued but unpaid profit thereon, which has accrued from the last Redemption Date up to but excluding the Call Option Date.

Whereby the Early redemption fee will be two per cent (2%) per annum of the Outstanding Face Value, up to the Redemption Date if the Call Option is exercised within the first twelve (12) months from the Issue Date, and one per cent (1%) per annum of the Outstanding Face Value, up to the Redemption Date if the Call Option is exercised during the period commencing the thirteenth (13th) month to the twenty fourth (24th) month.

- Upon the occurrence of an Event of Default and acceleration of the redemption of the TFCs, the Issuer shall be liable to pay the TFC Holders the Outstanding Amount in accordance with the Acceleration Notice issued to the Issuer. In the event the Issuer fails to pay the Outstanding Amount in accordance with Acceleration Notice, the Trustee shall have the right to forthwith take such proceedings against the Issuer as it may deem fit or as instructed by the TFC Holders. The Accelerated Redemption Amount shall be calculated as the summation of Conversion Incentive Amount for each quarter from the Issue Date to the Event of Default.
- Where the TFC Holders convert the First Issue in accordance with Mandatory Conversion, but the Company Listing does not take place on or before the Listing Deadline, the TFC Holders will have the option to sell all of its shareholding to the Sponsors at the Put Price within three (3) months of the expiry of the Deadline. The Put Price shall be calculated to deliver an average of 3 Months KIBOR + 6% annualized return to the TFC Holders.
- Within three (3) months of the Listing of the Company, each of the TFC Holders of the First Issue will pay Performance Incentive Compensation ("PIC") to the Sponsor Shareholders. The PIC amount is calculated as half of the difference between the Strike Price at the time of Book Building and 120% of the determined Floor Price.
- As per the Investment Agreements, the Sponsor Shareholders undertake to hold and maintain not less than fifty one percent (51%) of the issued and paid up ordinary share capital of the Company. Any disposal of shares by the Sponsor Shareholders that results in the Sponsor Shareholders holding less than fifty one percent (51%) Shares in the Company shall require the prior written consent of the TFC Holders.

If any of the Sponsor Shareholders propose to Transfer (directly or indirectly) any shares to a third (3rd) party transferee (other than a transfer to affiliate), the investors shall have the right to participate in such transfer (Tag-along Rights). If the proposed transfer by any of the Sponsor Shareholders result in the aggregate percentage shareholding interest of the Sponsor Shareholders (or their Affiliates in case of transfer to its Affiliate) falling below fifty one percent (51%), then the Investors shall have the option to exercise their right to participate in such Transfer and the purported transferee shall then be required to purchase all Shares held by the Investors on at least as favorable terms as are offered to the concerned Sponsor Shareholders.

Indicative Dilution of Shareholding as a Result of Mandatory Conversion of TFCs

| Name of Shareholders | Pre-issue | | Post-issue | |
|-------------------------|-------------|------------------|------------|------------------|
| | Shares | Shareholding (%) | Shares | Shareholding (%) |
| Sponsors | | | | |
| Muzzaffar Hayat Piracha | 121,799,757 | 39.4% | 91,799,757 | 24.9% |
| Yasir Hayat Piracha | 89,100,000 | 28.8% | 89,100,000 | 24.2% |
| Naila Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.1% |
| Roshanay Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.1% |
| Sania Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.1% |
| Mishaal Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.1% |
| Saleha Basit | 13,500,000 | 4.4% | 13,500,000 | 3.7% |
| Other Directors | | | | |
| Aslam Hayat Piracha | 120 | 0.0% | 120 | 0.0% |
| Rabiya Muzzaffar | 120 | 0.0% | 120 | 0.0% |

| | | | | |
|---|--------------------|-------------|--------------------|-------------|
| Sharique Azim | 1 | 0.0% | 1 | 0.0% |
| Hussain Kuli Khan | 1 | 0.0% | 1 | 0.0% |
| Aqdu Faraz | 1 | 0.0% | 1 | 0.0% |
| Free Float | | | | |
| New Issue – General Public | - | 0.0% | 60,000,000 | 16.3% |
| Offer for Sale – General Public | - | 0.0% | 30,000,000 | 8.1% |
| PCF Communication Investments (Private) Limited | 4,642,857 | 1.5% | 4,642,857 | 1.3% |
| JS Bank Limited | 4,285,714 | 1.4% | 4,285,714 | 1.2% |
| Total | 308,928,571 | 100% | 368,928,571 | 100% |

Indicative Dilution of Shareholding as a Result of Optional Conversion of TFCs

| Name of Shareholders | Pre-issue | | Post-issue | |
|---|--------------------|------------------|--------------------|------------------|
| | Shares | Shareholding (%) | Shares | Shareholding (%) |
| Sponsors | | | | |
| Muzzaffar Hayat Piracha | 121,799,757 | 39.4% | 91,799,757 | 24.4% |
| Yasir Hayat Piracha | 89,100,000 | 28.8% | 89,100,000 | 23.7% |
| Naila Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.0% |
| Roshanay Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.0% |
| Sania Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.0% |
| Mishaal Piracha | 18,900,000 | 6.1% | 18,900,000 | 5.0% |
| Saleha Basit | 13,500,000 | 4.4% | 13,500,000 | 3.6% |
| Other Directors | | | | |
| Aslam Hayat Piracha | 120 | 0.0% | 120 | 0.0% |
| Rabiya Muzzaffar | 120 | 0.0% | 120 | 0.0% |
| Sharique Azim | 1 | 0.0% | 1 | 0.0% |
| Hussain Kuli Khan | 1 | 0.0% | 1 | 0.0% |
| Aqdu Faraz | 1 | 0.0% | 1 | 0.0% |
| Free Float | | | | |
| New Issue – General Public | - | 0.0% | 60,000,000 | 16.0% |
| Offer for Sale – General Public | - | 0.0% | 30,000,000 | 8.0% |
| PCF Communication Investments (Private) Limited | 4,642,857 | 1.5% | 8,357,143* | 2.2% |
| JS Bank Limited | 4,285,714 | 1.4% | 7,714,285* | 2.1% |
| Total | 308,928,571 | 100% | 376,071,428 | 100% |

*Optional conversion of TFCs assuming a Strike Price of PKR 56/share.

11.1.2 Details of Short-Term Financing Facilities

| Name of Financial Institution | Nature of Facility | Facility Limit (PKR Mn) | Pricing | Sanction Date | Expiry Date |
|-------------------------------|--------------------------------------|-------------------------|---------------------------|---------------|----------------|
| JS Bank Limited | Letter of Credit - Sight | 2,000 | 0.15% PQ | July 12, 2017 | April 30, 2020 |
| | Shipping Guarantees | 2,000 | 1,000 for each case fixed | | |
| | Running Finance | 1,500 | 1M KIBOR + 2.0% | | |
| | Bank Guarantee | 10 | 0.25% PQ | | |
| | Finance against imported merchandise | 200 | 1M KIBOR + 2.0% | | |
| Summit Bank Limited | Letter of Credit - Sight | 1,100 | 0.20% PQ | July 18, 2019 | April 25, 2020 |
| | Shipping Guarantee | 450 | As per SOC | | |
| | Running Finance | 1,000 | 3M KIBOR + 1.0% | | |

| | | | | | |
|-----------------------|---------------------------------|-------|-----------------|---------------|------------------|
| | Finance Against Trust Receipt | 970 | 3M KIBOR + 2.0% | | |
| | Usance Letter of Credit | 400 | 0.20% PQ | | |
| | Letter of Guarantee | 5.42 | As per SOC | | |
| Bank Al Habib Limited | LC Sight | 1,500 | 0.20% PQ | July 19, 2019 | Sept. 30, 2021 |
| | Running Finance | 1,250 | 3M KIBOR + 2.0% | | |
| | Finance Against Trust Receipt | 1,250 | 3M KIBOR + 2.0% | | |
| | Short term financing facility | 400 | 3M KIBOR + 2.0% | | |
| Dubai Islamic Bank | Letter of Credit/Sight Contract | 700 | 0.15% PQ | May 21, 2019 | August 31, 2019* |
| | Shipping Guarantee | 700 | As per SOC | | |
| | LC Usance | 600 | 3M KIBOR + 2.5% | | |
| | Import Murabaha | 600 | 3M KIBOR + 2.5% | | |

(As on June 30, 2019) *Renewed subsequently till August 31, 2020.

11.1.3 Details of Long-Term Financing Facilities

| Name of Financial Institution | Nature of Facility | Outstanding Amount (PKR Mn) | Rate |
|---|--------------------|-----------------------------|---------------------|
| PCF Communication Investments (Private) Limited | Convertible TFCs | 416 | 3 months KIBOR + 1% |
| JS Bank Limited | Convertible TFCs | 384 | 3 months KIBOR + 1% |

(As on June 30, 2019) Please refer to section 11.1.1.

11.2 RELATED PARTY AGREEMENTS

The Issuer has not entered into any agreement or undertaken any transaction which involves any of its associated companies. No related party transaction occurred during the last 3 years.

11.3 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements, contracts, reports etc., referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

11.4 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.5 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences from 1st day of July and ends on the 30th day of June each year.

12 BOOK BUILDING PROCEDURE

12.1 BRIEF STRUCTURE

The Present Issue

The Issue comprises of 90,000,000 Ordinary Shares constituting both New Issue (60,000,000 Ordinary Shares) and Offer for Sale (30,000,000 Ordinary Shares) of the face value of PKR 10.00/- each which constitutes 25.0% of the paid-up capital of the Company excluding mandatory conversion of TFCs amounting to PKR 400 million as mentioned under section 11.1.1.

The entire Issue of 90,000,000 Ordinary Shares will be offered through Book Building process at a Floor Price of PKR 56.00/- per share. Provisionally, 75% of the issue size i.e. 67,500,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 22,500,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The Floor Price of PKR 56.00/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR 78.40/- per share.

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus was published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.2 TYPES OF BIDS AND PROCEDURE FOR MAKING A BID

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the "Dutch Auction Method".

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a bidder can be a "Limit Bid", or a "Step Bid", which are explained below:

- **Limit Bid:** Limit bid is placed at the limit price, which is the maximum price a bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 56.00 per share, based on which the total Application Money would amount to PKR 56 million. In this case the Bid Amount will be also PKR 56 million. Since the Bidder has placed a Limit Bid of PKR 56.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 56.00 per share.

- **Step Bid:** A series of limit bids placed at increasing prices. The amount of any individual step shall not be less than PKR 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.50 million shares at PKR 56.00 per share, 0.40 million shares for PKR 57.00 per share and 0.30 million shares for PKR 58.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount would be PKR 68.20 million. In case of Individual Bidder, the Margin Money will be 100% i.e. PKR 68.20 million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 17.05 million.

RESTRICTIONS:

- I. **AN ELIGIBLE INVESTOR SHALL NOT:**
 - a) **MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
 - b) **MAKE BID FOR MORE THAN 5% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION EXCEPT FOR INSTITUTIONAL INVESTORS WHO MAY MAKE BID UP TO 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION;**
 - c) **MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS;**
 - d) **PLACE CONSOLIDATED BIDS,**
 - e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY;**
 - f) **MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
 - g) **WITHDRAW BID**
- II. **RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- III. **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS;**
- IV. **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- V. **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT SUB-REGULATION (9) SHALL NOT APPLY TO SUCH ASSOCIATES OF THE CONSULTANT TO THE ISSUE AND THE BOOK RUNNER THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.**

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER AND, NAMES OF RELATED EMPLOYEES OF THE ISSUER, BOOK RUNNER AND THE CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3.17.3 and 3.17.4.

Once the Bidding Period has lapsed and the book has been built, the Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of the unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful institutional Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such institutional Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful institutional bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must fill-in the part of the Bidding Form under the heading, “Dividend Mandate” to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

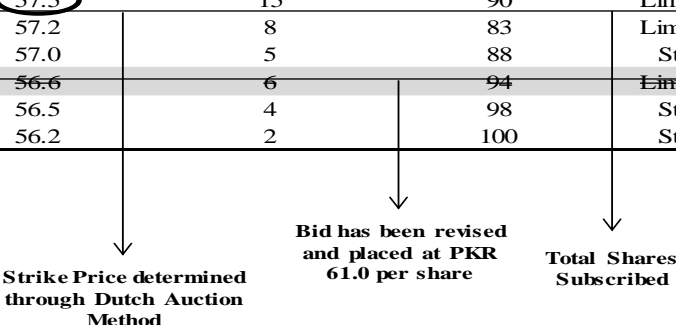
12.3 MECHANISM FOR DETERMINATION OF STRIKE PRICE

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion is subscribed.
2. The order book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the strike price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 90,000,000 Ordinary Shares
2. Floor Price: **PKR 56/-** per Ordinary Share with maximum price band of 40% i.e. **PKR 78.4/-** per share
3. Bidding Period: From **DD/MM/2020** to **DD/MM/2020**
4. Bidding Time: 9:00 am - 5:00 pm
5. Bidding Revision Time (Upward Revision Only): 9:00 – 5:00 pm on all days.

| Bidder | Price (PKR per share) | Quantity (shares Millions) | Cumulative Number of Shares (mn) | Category of Bid | Date |
|-------------------------|-----------------------|----------------------------|----------------------------------|-----------------|-------|
| Institution - A | 62.5 | 15 | 15 | Limit Price | Day 1 |
| Institution - B | 61.0 | 15 | 30 | Limit Price | Day 2 |
| Foregin Institution - F | 60.5 | 12 | 42 | Limit Price | Day 2 |
| HNWI - A | 60.0 | 13 | 55 | Step Bid | Day 2 |
| Institution - C | 59.5 | 11 | 66 | Step Bid | Day 1 |
| Institution - Y | 58.0 | 9 | 75 | Limit Price | Day 1 |
| Institution - S | 57.5 | 15 | 90 | Limit Price | Day 2 |
| HNWI - E | 57.2 | 8 | 83 | Limit Price | Day 2 |
| Institution - C | 57.0 | 5 | 88 | Step Bid | Day 1 |
| Institution - B | 56.6 | 6 | 94 | Limit Price | Day 2 |
| HNWI - A | 56.5 | 4 | 98 | Step Bid | Day 2 |
| Institution - C | 56.2 | 2 | 100 | Step Bid | Day 1 |



On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 57.50 per share to sell the required quantity of 90,000,000 ordinary shares.

- At PKR 62.50 per share, investors are willing to buy 15.00 million shares. Since 75 million shares are still available, therefore the price will set lower.

- At PKR 61.00 per share, investors are willing to buy 15.00 million shares. Since 60 million shares are still available; therefore, the price will set lower.
- At PKR 60.50 per share, investors are willing to buy 12.00 million shares. Since 48 million shares are still available; therefore, the price will set lower.
- At PKR 60.00 per share, investors are willing to buy 13.00 million shares. Since 35 million shares are still available; therefore, the price will set lower.
- At PKR 59.50 per share, investors are willing to buy 11.00 million shares. Since 24 million shares are still available; therefore, the price will set lower.
- At PKR 58.00 per share, investors are willing to buy 9.00 million shares. Since 15 million shares are still available; therefore, the price will set lower.
- At PKR 57.50 per share, investors are willing to buy 15.00 million shares. **Since after bidding for 15.00 million shares at PKR 57.50 per shares no share will be available, therefore, the Strike Price will be set at PKR 57.50 per share for the entire lot of 90 million shares.**
- The Bidders, who have placed bids at prices above the Strike Price (which in this illustration is PKR 57.50 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.
- Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.
- The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.
- In case retail portion of the Issue is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

12.4 TIMEFRAME FOR INTIMATION TO THE SUCCESSFUL BIDDERS AND MECHANISM FOR PAYMENT OF THE BALANCE AMOUNT BY THE SUCCESSFUL BIDDERS

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful institutional Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

12.5 CONSULTANT TO THE ISSUE AND BOOK RUNNER

JS Global Capital Limited (“JSGCL”) has been appointed by the Issuer as Consultant and Book Runner to this Issue.

12.6 INTEREST OF CONSULTANT TO THE ISSUE AND BOOK RUNNER

The Consultant to the Issue and the Book Runner are deemed to be interested to the extent of fees payable to them by the Issuer for the services to be rendered by them as Consultant to the Issue and Book Runner to the Issue respectively. However, the parent company of the Consultant to the Issue namely, JS Bank Limited in addition to being Bankers to the Issue and Bankers to the Book Building has, along with PCF Communication Investments (Private) Limited, issued convertible TFCs as detailed under section 11.1.1.

Responsibilities of the Book Runner

The Book Runner to the Issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access the System and can revise their bids electronically using their user ID and password;
7. ensure that it has obtained a list and Unique Identification Numbers (UINs) of the associates of the Issuer, the Consultant to the Issue and all the related employees;
8. ensure that names and UINs of all the persons mentioned under **section 3.17.1** are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that it blocked all UIN and names of all related employees for participation in the bidding;
10. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
11. ensure that no bid in aggregate exceeding ten per cent (10%) is made by the associated companies and associated undertakings of the Consultant to the Issue and the Book Runner;
12. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
13. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
14. maintain record of all the bids received; and
15. ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

Bid Collection Centers

The Book Runner has established Bid Collection Centers at the following addresses:

| Karachi | | | |
|---------|--|--------|-------------------|
| Name: | Zeeshan Abid Siddiqui / Maaz Ahmed Khan | Name: | Osama Yaqoob |
| Phone: | 021-3889-3069 | Phone: | +92-21-34835701-9 |
| Fax: | | Fax: | |

| | | | |
|----------|--|----------|--|
| E-mail: | zeeshan.siddiqui@js.com / maaz.khan@js.com | E-mail: | osama.yaqoob@js.com |
| Address: | 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi | Address: | Suite No. 607 /A, 6th Floor, Al Ameen Towers, Plot # E-2, Block-10, Gulshan-e- Iqbal, Main NIPA, Karachi |

| | |
|---------------|------------------|
| Lahore | Islamabad |
|---------------|------------------|

| | | | |
|----------|--|----------|--|
| Name: | Ibraheem Abid Mir | Name: | Zahid Mahmood |
| Phone: | +92-42-35291025 | Phone: | +92-51-111-574-111 |
| Fax: | | Fax: | +92-51-2894417 |
| E-mail: | ibraheem.mir@js.com | E-mail: | zahid.mahmood@js.com |
| Address: | Plot No. 434, G/1, 2nd Floor, MA Johar Town, Lahore | Address: | Office No. 413, 4th Floor, ISE Towers 55- B, Jinnah Avenue, Islamabad |

| | |
|-----------------|---------------|
| Peshawar | Multan |
|-----------------|---------------|

| | | | |
|----------|--|----------|---|
| Name: | Zeeshan Aleem | Name: | Muhammad Riaz Naseeb Khan |
| Phone: | +92-91-5285221-5 | Phone: | +92-61-4570260-66, 68, 69 |
| Fax: | | Fax: | +92-61-4570267 |
| E-mail: | zeeshan.aleem@js.com | E-mail: | riaz.khan@js.com |
| Address: | 1st Floor, SLIC Building # 34, The Mall Road, Peshawar Cantt, Peshawar | Address: | Office # 608-A, 6th Floor, United Mall, Plot # 74, Abdali Road, Multan |

| | |
|-------------------|---------------|
| Faisalabad | Quetta |
|-------------------|---------------|

| | | | |
|----------|---|----------|--|
| Name: | Rakshanda Javed Malik | Name: | Mr. Zarak Khan Kasi |
| Phone: | +92-41-2541900-8 | Phone: | 081-286 5503-5 |
| Fax: | +92-41-2541909 | Fax: | |
| E-mail: | rakshanda.javed@js.com | E-mail: | zarak.khan@jsbl.com |
| Address: | Office No. G-4, Meezan Executive Tower, Liaquat Road, Faisalabad | Address: | Khasra # 2 Qittat, Ward # 16, Tappa Urban # 01, M. A Jinnah Road, Opposite Bilal PCO Tehsil City & District, Quetta |

| | |
|---------------|---------------------|
| Gilgit | Azad Kashmir |
|---------------|---------------------|

| | | | |
|----------|--|----------|--|
| Name: | Mr. Iftikhar Hussain | Name: | Mr. Ejaz Hussain |
| Phone: | 05811-450610-12 | Phone: | 05827-4488672-73 |
| Fax: | | Fax: | |
| E-mail: | iftikhar.hussain@jsbl.com | E-mail: | ejaz.hussain@jsbl.com |
| Address: | Qalander Plaza, City Tower, Cinema Bazar, Gilgit | Address: | Younus Plaza, Allama Iqbal Road, Nangi Azad Kashmir |

12.7 ROLES AND RESPONSIBILITIES OF THE DESIGNATED INSTITUTION

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
6. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;

7. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
8. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. Discover the strike price at the close of the Bidding Period;
10. Generate alerts for the Bidders via Short Message Service (“SMS”) through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
11. Ensure that the system must provide the bidders the option to revise their bids upward online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.8 ROLES AND RESPONSIBILITIES OF THE ISSUER

The Issuer shall ensure that:

1. The Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over-dues or defaults, irrespective of the amount, appearing in the report obtained from the Credit Information Bureau;
2. The Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
 - which had been declared defaulter by the securities exchange or futures exchange; or
 - whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, the Book Runner, the Underwriter, the Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. It is in operations for at least 3 financial years.
6. It has profitable track record for at least 2 preceding financial years from its core business activities.
7. Its breakup value/book value per share is not less than its face value per share.
8. The shares shall be issued in book-entry form only.

12.9 OPENING AND CLOSING OF THE REGISTRATION PERIOD

The Registration Period shall be for **five (5) working days** as under:

| Registration Period | |
|---------------------|--------------------|
| DD/MM/2020 | 9:00 am to 5:00 pm |
| DD/MM/2020 | 9:00 am to 5:00 pm |
| DD/MM/2020 | 9:00 am to 5:00 pm |
| DD/MM/2020 | 9:00 am to 5:00 pm |
| DD/MM/2020 | 9:00 am to 3:00 pm |

12.10 OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding Period shall be for **two (2) working days** as under:

| | |
|---------------------------|-------------------------------|
| BIDDING PROCESS STARTS ON | DD/MM/2020 9:00 am to 5:00 pm |
| BIDDING PROCESS ENDS ON | DD/MM/2020 9:00 am to 5:00 pm |

12.11 ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (Rupees Two Million only).

12.12 INFORMATION FOR BIDDERS

1. The Prospectus for Issue of shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of Air Link Communication Limited, JS Global Capital Limited, and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding forms can also be downloaded from the following websites of the Consultant to the Issue / Book Runner and the Company i.e. www.jsjcl.com and www.airlinkcommunication.net.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in [section 12.6](#) for registration for submitting their Bids.
4. The registration forms should be submitted on the prescribed format at the addresses provided in [section 12.6](#). For details on the procedure of registration please refer to [section 12.13](#).
5. The bids should be submitted on the prescribed bidding form in person, through fax numbers given in [section 12.6](#) or through the online system using the user id and password issued at the time of registration of eligible investor.
6. Registered investors can place and revise their bids upwards by accessing the designated institutions online portal for book building by using the user id and password communicated to them via email by psx.
7. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the registration form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the book runner along with each additional payment form.
8. Eligible investors who are account holders of [\[•\]](#) (the banker to the book building portion of the issue) can use the online transfer facility provided by [\[•\]](#) to deposit their bid money to the book building account opened at [\[•\]](#).

12.13 REGISTRATION FORM AND PROCEDURE FOR REGISTRATION

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in [section 12.6](#) on the standard Registration Form. The Registration Form shall be serially numbered at the Bid Collection Centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which the Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for five (5) working days i.e. [DD/MM/2020](#) to [DD/MM/2020](#) from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on [DD/MM/2020](#).
 - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner, and the second copy for the Bidder.
 - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in [section 12.6](#).
 - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.

- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
- The pay order shall be made in favor of "Air Link Communication Limited - Book Building". For online transfer the payment shall be made into A/C # [•] being maintained at [•] Bank Limited, [•] Branch, Karachi. Please note that online transfer facility shall only be allowed for [•] Bank Limited customers. Please note that third party instruments will not be accepted for Margin Money.
- In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
- The Book Runner shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runner shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use their User ID and Password to independently place and upward revise their bids online.
- The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.
- The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.

12.14 PROCEDURE FOR BIDDING

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the "Limit Price" or as a "Step Bid". The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 2,000,000/- (Rupees Two Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 2,000,000/- (Rupees Two Million).
 - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see **section 12.6** for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
 - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter the Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.

- The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.
- The Bidders shall not withdraw the Bids.
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third-party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the "Order Book"). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in [Section 12.20](#) of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in [Section 12.23](#).

- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.15 PAYMENT FOR BOOK BUILDING PORTION

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of "Air Link Communication Limited - Book Building" or online transfer of the Bid money into the respective Book Building account [●] and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into A/C # [●] being maintained at [●] Bank Limited, [●] Branch, Karachi with the Account Title "Air Link Communication Limited – Book Building". Please note that online transfer facility shall only be allowed for customers of [●] Bank Limited.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF "AIR LINK COMMUNICATION LIMITED – BOOK BUILDING" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a "Limit Bid" or "Step Bid" are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 million shares at a price of PKR 56.00/- per share, then the total Application Money would amount to PKR 56 million. In such a case, (i) Individual Investor shall deposit PKR 56

million in the Book Building account as the bid amount which is 100% of PKR 56 million; and (ii) Institutional Investor shall deposit at least PKR 14 million in the Book Building account as the Margin Money which is 25% of PKR 56 million.

▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.50 million shares at PKR 56.00/- per share, 0.40 million shares at PKR 57.00/- per share and 0.30 million shares at PKR 58.00/- per share. Therefore, in essence the Bidder has placed one Step Bid comprising three limit bids at increasing prices. The Bid amount will be PKR 68.20 million. In such a case, (i) Individual Investors shall deposit PKR 68.20 million in the Book Building Account as Margin Money which is 100% of PKR 68.20 million and (ii) Institutional Investors shall deposit at least PKR 17.05 million in the Book Building Account as Margin Money which is 25% of PKR 68.20 million.

12.16 PAYMENT BY FOREIGN INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub paragraph (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue / offer price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in section 12.15 of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is mentioned under section 10.3.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

12.17 PROCEDURE FOR REJECTION OF BIDS

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

12.18 TIME FRAME FOR UPWARD REVISION OF BIDS BY THE BIDDERS

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.19 PROCEDURE FOR WITHDRAWAL OF ISSUE

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulations, the Book Building process will be considered as cancelled if the total number of bids received is less than hundred (100).

12.20 BASIS FOR ALLOTMENT OF SHARES

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 60,000,000 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide their respective CDS Account numbers in the Bid application as required under regulation 9(16) of the PO Regulations.

12.21 REFUND OF MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.22 PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

12.23 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OUT OF THE RETAIL PORTION OF THE ISSUE

The basis and conditions for allotment of shares out of the Retail Portion of the Issue shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue / Offer Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED BY SECP UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. **In case retail portion of the Issue, remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price on pro-rata basis.**
7. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.

- If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
8. If the Issue is over-subscribed in terms of amount only then the allotment of shares shall be made in the following manner:
- First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares; and
 - Next preference will be given to the applicants who applied for 2,000 shares.
 - After allotment of the above, the balance shares, if any, shall be allotted on a pro-rata basis to the applicants who applied for more than 2,000 shares.
9. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
10. Applications which do not meet the above requirements or application which are incomplete will be rejected.

12.24 ELIGIBILITY OF INVESTOR FOR INVESTMENT IN THIS ISSUE

Eligible investors include:

1. Pakistani citizens residing in or outside Pakistan or persons holding dual nationalities including Pakistani Nationality;
2. Foreign nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their respective constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of their respective Trust Deeds and existing regulations); and
5. Branches in Pakistan of companies and corporate bodies incorporated outside Pakistan.

12.25 BENEFITS OF E-IPO

e-IPO has the following benefits:

1. It enables the investors to make application for subscription of shares through the internet without going to the bank, and waiting in long queues.
2. It is efficient and simultaneously facilitative for both the Issuer and the investors.
3. It is available for use 24 hours during the subscription period.

4. If you are registered with CES or accountholder of a bank providing e-IPO facility, you may get SMS for new IPOs.
5. By applying through CES you can also track your application status.

12.26 PROCEDURE FOR OPENING CDS ACCOUNT

CDS is the Participant (TREC Holders) driven system where sub-accounts are opened by the Participants. All new Sub-Accounts shall only be opened in CDS based on the complete and correct information obtained from the investor as per the Standardized Account Opening Form (SAOF). The SAOF is part of CDC Regulations and is also placed on CDC's website www.cdcpakistan.com. Terms & Conditions contained in the SAOF shall govern the opening and maintenance of the Sub-Accounts.

Participants before opening a sub-account into CDS should obtain duly filled and signed SAOF from their clients / investors along with all necessary documents. Participants to obtain signatures of concerned Sub-Account Holders / Authorized Signatories as acknowledgement on the Posted Registration Detail Report generated from CDS after establishing Sub-Accounts in their names. Participant must ensure that:

1. The sub-account holder is not a minor and fulfils the requirements of the Companies Act, 2017, Central Depositories Act, 1997 and Central Depository Company of Pakistan Limited Regulations in respect of a shareholder of a company. However, minor through a guardian can open a sub-account.
2. Sub-Account is not in the name of Trust. The sub-account title for a trust can only be in the name of the "Trustee". Example: (Name of Trustee) (Name of Fund / Trustee etc.).
3. A sole proprietorship or a partnership firm cannot open and maintain a sub-account in CDS, however they can open and maintain a sub-account in the name of sole proprietor or partner(s).
4. A Participant who is a registered securities broker shall not open and/or maintain subaccount in the CDS in its own name either under its own Participant ID or with any other Participant". Non-broker Participants may have sub-accounts with other Participants on a need basis.
5. Participant is not required to enter Account Title and Joint Account Holder(s) name manually at the time opening of new sub account. When the Participant enters UIN in the designated field of CDS for the purpose of account opening, title will be automatically populated in the designated field as mentioned in the UIN database maintained with NCCPL.
6. Account Title and Joint holder(s) name are not allowed to be amended once inserted in the posted account. However, a new provision has now been introduced in the CDS for existing accounts where the account title in the CDS is required to be matched with account title available in UIN database. For matching the account title of existing sub accounts, Participants no longer have to request CDC for updating rights. Participants will now press the newly added "synchronize" button and the system will update the title (account holder and joint) as per title(s) mentioned in the UIN database. However, Participants shall not use "Synchronize Account Title" button for Trustee, Minor and Manager to offer accounts.
7. At the time of account opening in case where the account title is different from the UIN database (for e.g. Trustee accounts, account of the Minors, Manager to the offer etc. needs to be added in account title, a request letter for by-pass will be required from the Participant, signed by their authorized signatories along with the certified true copies of the relevant supporting documents, enabling them to have the authority to insert the title other than the title mentioned in the UIN database.
8. Any updation in CNIC / Passport no. / NICOP / Registration no. is not allowed. In case of any change due to issuance of a new document, written request to be provided to CDC along with submission of certified true copy of relevant documents. Updation in CDS will be made after necessary changes in NCCPL database.
9. Input of Local mobile number and / or email address is mandatory for opening of Sub-Accounts in the CDS.
10. Residential status of the account will be linked with the residential status of the Title Holder of the account. Hence, residential status of joint holders can be different. In case where Residential Status is Repatriable, such as, Non-Resident Pakistani (Repatriable) / Foreigner (Repatriable), the Title Holder and all Joint Account

Holders must possess the same Residential Status. Further, updation of residential status, as applicable, will be allowed based on written request of the Participant.

11. Zakat status is linked with the Residential Status such that where the user selects the status of Resident Pakistani, Non-Resident Pakistani (Repatriable) or Non-Resident Pakistani (Non-Repatriable), the Zakat status needs to be entered. For all other selections it will be automatically marked as 'Not Applicable'.
12. Zakat Status of all account holders in an account should be identical.
13. Subsequent to the opening of sub-account, addition / deletion of joint holder(s) is not allowed.
14. In light of Section 79 sub-Section (3) of the Companies Act, 2017, the person to be nominated shall not be a person other than the relatives of the sub-account holder, namely, a spouse, father, mother, brother, sister and son or daughter, including a step or adopted child.
15. In case of Joint Holders, input of nominee detail will not be allowed.
16. Additional Account Title field will be disabled for Updation of account. In case any change is required in Additional Account Title field, written request to be provided to CDC along with the relevant documents.
17. In the Dividend mandate, Account number, Account title, Name of the Bank & Branch and City name should be properly mentioned.
18. Permanent Address field is available in addition to the mailing address field in CDS with the selection of city, province and country (as applicable). While the Residential Status is associated with the city, province and country fields such that the fields will be enabled or disabled as per the selected Residential Status.
19. In case of individual account, Business / Participant address is not allowed in the permanent address field.
20. In case of corporate account, Registered/Head office address should be entered in permanent address field.
21. Mailing address should be correct and complete i.e. (House #, Street #, Sector / Block / phase/ number, nearest land mark, area, city, province & country name). In case the permanent address is same as the mailing address, the Participant will be able to copy the same address. The Residential Status is also associated such that the fields will be enabled or disabled as per the selected Residential Status.
22. Person maintaining sub-accounts, either singly or jointly, must select "INDIVIDUAL" as Shareholder category.
23. Contact person can only be the sub-account holder him / herself (or any of the joint holder(s)). Moreover, a person in whose name the Power of attorney is issued by the account holder(s) can also be the contact person.
24. Participant may add or update details pertaining to Special Convertible Rupee Account (SCRA) of Sub Account Holder in case of resident status selected as "Repatriable".
25. Attorney Details must be recorded in the attorney fields (if applicable).
26. In case of any change in the registration details of the sub-account holders, the respective Participant himself can make necessary changes in the registration details based on their SAOF & internal procedures which must be framed in light of the Central Depository Company of Pakistan Limited Regulations.

12.27 FACILITIES AVAILABLE TO NON-RESIDENT PAKISTANI AND FOREIGN INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub paragraph (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Foreign Exchange Manual, i.e. (I) A Pakistani national resident outside Pakistan, (II) A person who holds dual nationality including Pakistani nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue / offer price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building account opened by the Company as given in **section 12.15** of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding

payment of subscription money against shares offered to general public. List of bankers to the issue for retail portion is mentioned under [section 10.3](#).

The shares issued/transferred to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue/transfer.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the application by the non-residents.

12.28 TEN PERCENT (10%) PRICE VARIATION

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is **PKR 56.0 per share** and Indicative Strike Price at any given point in time during the bidding period is **PKR 56.0 per share**, registered bidders may place or revise their bids at/to any price between **PKR 56.0** per share to **PKR 61.6 per share**. If at any given point in time during the bidding period, the Indicative Strike Price changes from **PKR 56.0 per share** to **PKR 61.6 per share**, the registered bidders may place or upward revise their bids at/to between **PKR 61.6 per share** to **PKR 67.76 per share**.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. **PKR 78.40 per share**. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.29 RESTRICTION ON DOWNWARD REVISION OR WITHDRAWAL OF BIDS BY THE BIDDER

Under regulation (10)(2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10)(2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

13 APPLICATION & ALLOTMENT INSTRUCTIONS

ELIGIBLE INVESTORS INCLUDE:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR ELIGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

COPIES OF THE PROSPECTUS

Copies of this Prospectus and application forms can be obtained from members of PSX, the Bankers to the Issue and their Branches, the Consultant to the Issue, and the registered office of the Company. The Prospectus and the application form can also be downloaded from the following websites:

www.airlinkcommunication.net, www.jsqcl.com and www.cdceipo.com

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

NAME(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED.

ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THAT RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANIS (NICOP) OR PASSPORT BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on **DD/MM/2020** and will close on **DD/MM/2020** at the close of banking hours. Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on **DD/MM/2020**.

13.2 E-IPO SYSTEM

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

(i) Centralized e-IPO System (CES):

In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the general public can be made electronically/online. CES has been made available in this Initial Public Offering (IPO) and can be accessed through the web link www.cdceipo.com. Payment of subscription money can be made through 1LINK’s member banks available for CES, list of which is available on above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one-time activity, free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) can register themselves with CES.

Investors who do not have CDS account can visit www.cdcpakistan.com for information regarding opening CDS account.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt at Phone: 021-111-111-500 Ext: 4220 and email: farooq_butt@cdcpak.com

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on **DD/MM/2020**.

(ii) e-IPO facilities by Bankers to the Issue:

Currently, United Bank Limited (UBL) and Bank Alfalah (BAFL) are providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> and BAFL account holders can use BAFL Net Banking to submit their application via link: <https://netbanking.bankalfalah.com>

APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant’s residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant’s banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant’s residence can attest copies of such documents.

2. Attested photocopies of the documents mentioned in 8.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies will, after verification, be retained by the bank branch along with the application.

ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**Air Link Communication Limited - General Subscription**" and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under Section 87(8) of the Securities Act, 2015.

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non-resident investors should follow payment instructions given in **section 12.16** of this Prospectus.

CODE OF OCCUPATION OF INVESTORS / APPLICANTS

| Code | Occupation |
|------|--------------------|
| 01 | Business |
| 02 | Business Executive |
| 03 | Service |
| 04 | Housewife |
| 05 | Household |
| 06 | Professional |
| 07 | Student |
| 08 | Agriculturist |
| 09 | Industrialist |
| 10 | Other |

NATIONALITY CODE

| Code | Name of Country |
|------|-----------------|
| 01 | U.S.A. |
| 02 | U.K. |
| 03 | U.A.E. |
| 04 | K.S.A. |
| 05 | Oman |
| 06 | Bangladesh |
| 07 | China |
| 08 | Bahrain |
| 09 | Other |

BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue / Offer Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.

5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.3 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-Section (2) of Section 68 of the Companies Act, 2017, if refund as required under sub-Section (1) of Section 68 of the Companies Act, 2017 is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 up to PKR 100 million on the standard scale as defined in Section 479 of the Companies Act, 2017. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price determined in the book building process on pro-rata basis.

13.4 ISSUE AND CREDIT OF SHARES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.5 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act, 2017 read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

LIST OF BANKERS TO THE ISSUE

| Code | Name of Bank |
|------|----------------------------|
| 01 | United Bank Limited* |
| 02 | JS Bank Limited |
| 03 | Bank Alfalah Limited* |
| 04 | Dubai Islamic Bank Limited |
| 05 | MCB Bank Limited |
| 06 | Faysal Bank Limited |
| 07 | Bank Al Habib Limited |
| 08 | Meezan Bank Limited |

| | |
|----|---------------------------------|
| 09 | Soneri Bank Limited |
| 10 | Habib Metropolitan Bank Limited |

*These Banks are providing their own e-IPO facilities. Account holders of these banks may apply for subscription of shares electronically. For detail please refer to section 13.2.

E-IPO FACILITIES

E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

(i) Centralized e-IPO System (CES):

The Central Depository Company of Pakistan Limited (CDC) in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System (CES) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on the above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one-time activity, free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may registered themselves with CES.

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt at Phone: 021-111-111-500 Ext: 4220 and email: farooq_butt@cdcpak.com

(ii) e-IPO facilities by Bankers to the Issue:

Currently, United Bank Limited (UBL) and Bank Alfalah (BAFL) are providing e-IPO facilities to their respective account holders.

UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank> and

BAFL account holders can use BAFL Net Banking to submit their application via link: <https://ib.bankalfalah.com.pk>

Investors who are registered with CES or account holders of UBL or BAFL can submit their applications through the above-mentioned links 24 hours a day during the subscription period which will close at midnight on **DD/MM/2020**.

13.6 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than as holders of the Ordinary shares in the capital of the Company. Certain shareholders who are also the Directors of the Company have interest in receiving remuneration for their role as Directors and CEO.

13.7 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.8 DEDUCTION OF ZAKAT

Income Distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980. (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment/ deduction of Zakat in terms of and as provided in that Ordinance.

13.9 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under Section 37A of Income Tax Ordinance, 2001, which may be revised by the Government through Finance Act, Statutory Regulatory Order(s), Finance Amendment Act, or any other applicable law notified by the relevant Government bodies from time to time.

| | | |
|---|-------------|-----------------|
| Applicable Capital Gain Tax Rate for FY20 | 15% (Filer) | 30% (Non-filer) |
|---|-------------|-----------------|

13.10 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under Section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of individuals only.

| | | |
|---------------------------------------|-------------|-----------------|
| Withholding Tax on Dividends for FY20 | 15% (Filer) | 30% (Non-filer) |
|---------------------------------------|-------------|-----------------|

13.11 TAX ON BONUS SHARES

As per Section 236M of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been abolished, hence issuance of bonus shares will not be subject to tax from July 1, 2018 onwards.

13.12 INCOME TAX

As the Company is Commercial Importer, tax is collected at import stage under Section 148 of the Income Tax Ordinance, 2001 which is its minimum tax liability on its entire income. Tax liability for the company is calculated as higher of company tax on taxable income and tax paid on imports.

13.13 DEFERRED TAXATION

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax is accounted for using the balance sheet liability method in respect of on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

As of June 30, 2019, Company has reported deferred tax asset of PKR 209,578,554.

13.14 SALES TAX

Sales Tax on mobile phone is fixed in terms of PKR per unit according to the 9th Schedule of the Sales Tax Act, 1990. Hence, there is no further applicable Sales Tax to wholesalers and retailers by the Company.

13.15 SALES TAX ON SALE/PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab, Khyber Pakhtunkhwa and Baluchistan provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and 15% in Baluchistan and Khyber Pakhtunkhwa. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.16 CAPITAL VALUE TAX (“CVT”) ON PURCHASE OF SHARES

Pursuant to amendments made in the Finance Act, 1989 through Finance (Amendments) Ordinance, 2012 promulgated on April 24, 2012, 0.01% Capital Value Tax will be applicable on the purchase value of shares.

13.17 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said Section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per Section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

13.18 TAX CREDIT FOR ENLISTMENT

Upon enlistment under Section 65C of the Income Tax Ordinance, 2001, tax credit at 20% of the tax payable is allowed for the tax year in which a Company is listed on PSX and also extended for the following three tax years of enlistment through Finance Bill 2017, provided that the tax credit for the last two years shall be 10% of the tax payable.

The Company can avail tax credit under Section 65C in case tax payable exceeds threshold of minimum tax payable under Section 113 of the Income Tax Ordinance, 2001.

14 SIGNATORIES TO THE PROSPECTUS

-sd-

Muzaffar Hayat Piracha
Chief Executive Officer / Offeror

-sd-

Aslam Hayat Piracha
Chairman / Non-executive Director

-sd-

Rabiya Muzaffar
Non-executive Director

-sd-

Syed Nafees Haider
Executive Director

-sd-

Hussain Kuli khan
Independent Director

-sd-

Sharique Azim Siddique
Independent Director

-sd-

Aqduz Faraz Tahir
Independent Director

Signed by the above in the presence of witnesses:

Witness 1

-sd-

Nusrat Mahmood
Chief Financial Officer
Air Link Communication Limited

Witness 2

-sd-

Imran Ali Kazmi
Manager Accounts and Finance
Air Link Communication Limited

Dated: **January 09, 2020**

15 MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM

OF

ASSOCIATION

OF



AIR LINK COMMUNICATION LIMITED

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THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

"AIR LINK COMMUNICATION LIMITED"



1. The name of the Company is AIR LINK COMMUNICATION LIMITED.
2. The registered office of the Company will be situated in the Province of Punjab.
3. (i) To carry on the business of manufacturing or assembling, import, export, distribution, indenting, wholesale, retail of communication and IT related products and services including cellular mobile / smart phones, tablets, laptops, accessories as well as to run distribution business of other products or services which the Company may think feasible from time to time.
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the Company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Mudaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

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- (iv) It is hereby undertaken that the Company shall not:
- (a) engage in any of the business mentioned in sub-class (iii) above or any unlawful operation;
 - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities / businesses or any lottery business;
 - (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from Competent Authority as may be required under any law for the time being in force.
4. The liability of the members is limited.
5. The authorized capital of the Company is Rs 4,000,000,000 (Rupees Four billion only) divided into 400,000,000 (Four Hundred Million only) ordinary shares of Rs.10/- (Rupees Ten only) each.



Page 3 of 4



We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company as set opposite our respective names:

| Name & Surname (Printed & Printed in Full (in Block Letters)) | C.S.I.C. No. (in case of Foreigners, Foreign No.) | Father's / Husband's Name (in Full) | Relationship with any other Member (Nationality) | Occupation | Residential Address (in Full) | Number of Shares taken by each subscriber | Signature |
|---|---|-------------------------------------|--|------------|--|---|-----------|
| IMRANZAM HAYAT PARACHA | 40001 451275-9 | Mr. Imran Hayat Paracha | Partner | Public | Plot No. 204, Block-1, Phase-1, G-7/1, G-7/2, G-7/3, G-7/4, G-7/5, G-7/6, G-7/7, G-7/8, G-7/9, G-7/10, G-7/11, G-7/12, G-7/13, G-7/14, G-7/15, G-7/16, G-7/17, G-7/18, G-7/19, G-7/20, G-7/21, G-7/22, G-7/23, G-7/24, G-7/25, G-7/26, G-7/27, G-7/28, G-7/29, G-7/30, G-7/31, G-7/32, G-7/33, G-7/34, G-7/35, G-7/36, G-7/37, G-7/38, G-7/39, G-7/40, G-7/41, G-7/42, G-7/43, G-7/44, G-7/45, G-7/46, G-7/47, G-7/48, G-7/49, G-7/50, G-7/51, G-7/52, G-7/53, G-7/54, G-7/55, G-7/56, G-7/57, G-7/58, G-7/59, G-7/60, G-7/61, G-7/62, G-7/63, G-7/64, G-7/65, G-7/66, G-7/67, G-7/68, G-7/69, G-7/70, G-7/71, G-7/72, G-7/73, G-7/74, G-7/75, G-7/76, G-7/77, G-7/78, G-7/79, G-7/80, G-7/81, G-7/82, G-7/83, G-7/84, G-7/85, G-7/86, G-7/87, G-7/88, G-7/89, G-7/90, G-7/91, G-7/92, G-7/93, G-7/94, G-7/95, G-7/96, G-7/97, G-7/98, G-7/99, G-7/100 | 100 Five Thousand | |
| ZAMEER ZAFAR HAYAT PARACHA | 40001 451275-9 | Mr. Imran Hayat Paracha | Partner | Public | Plot No. 204, Block-1, Phase-1, G-7/1, G-7/2, G-7/3, G-7/4, G-7/5, G-7/6, G-7/7, G-7/8, G-7/9, G-7/10, G-7/11, G-7/12, G-7/13, G-7/14, G-7/15, G-7/16, G-7/17, G-7/18, G-7/19, G-7/20, G-7/21, G-7/22, G-7/23, G-7/24, G-7/25, G-7/26, G-7/27, G-7/28, G-7/29, G-7/30, G-7/31, G-7/32, G-7/33, G-7/34, G-7/35, G-7/36, G-7/37, G-7/38, G-7/39, G-7/40, G-7/41, G-7/42, G-7/43, G-7/44, G-7/45, G-7/46, G-7/47, G-7/48, G-7/49, G-7/50, G-7/51, G-7/52, G-7/53, G-7/54, G-7/55, G-7/56, G-7/57, G-7/58, G-7/59, G-7/60, G-7/61, G-7/62, G-7/63, G-7/64, G-7/65, G-7/66, G-7/67, G-7/68, G-7/69, G-7/70, G-7/71, G-7/72, G-7/73, G-7/74, G-7/75, G-7/76, G-7/77, G-7/78, G-7/79, G-7/80, G-7/81, G-7/82, G-7/83, G-7/84, G-7/85, G-7/86, G-7/87, G-7/88, G-7/89, G-7/90, G-7/91, G-7/92, G-7/93, G-7/94, G-7/95, G-7/96, G-7/97, G-7/98, G-7/99, G-7/100 | 100 Five Thousand | |
| | | | | | | 1000 One Thousand | |

Dated this 30th day of December, 2019.

Witness:
National Institution Facilitation
Technologies (Pvt) Ltd.
5th Floor AWT Plaza
LI Chundrigar Road, Karachi.

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16 INSTRUCTIONS FOR BIDDING

INSTRUCTIONS FOR REGISTRATION AND BIDDING

REGISTRATION PERIOD OPENS FROM [MONTH] [•], 2020 TO [MONTH] [•], 2020 BETWEEN 9:00 AM TO 5:00 PM (EXCEPT ON WEEKENDS) AND BETWEEN 9:00 AM TO 3:00 PM ON [MONTH] [•], 2020. BIDDING PERIOD OPENS FROM [MONTH] [•], 2020 TO [MONTH] [•], 2020 BETWEEN 9:00 AM TO 5:00 PM

OFFER FOR SALE AND NEW ISSUE OF ORDINARY SHARES OF AIR LINK COMMUNICATION LIMITED (“AIRLINK” OR THE “COMPANY”) THROUGH THE BOOK BUILDING PROCESS AT THE FLOOR PRICE OF PKR 56.00/- PER SHARE

The Issue comprises of 90,000,000 Ordinary Shares constituting both Offer for Sale (30,000,000 Ordinary Shares) and New Issue (60,000,000 Ordinary Shares) with a face value of PKR 10.00/- each which constitutes 25.0% of the total post-IPO paid-up capital of Air Link Communication Limited.

The bidders shall be allowed to place bids for hundred percent (100.00%) of the Issue size and the Strike Price shall be the price at which the Hundred Percent (100.00%) of the Issue is subscribed. However, the successful bidders shall be allotted only Seventy Five Percent (75.00%) of the Issue size i.e. 67,500,000 and the remaining Twenty Five Percent (25.00%) i.e. 22,500,000 shall be offered to the retail investors. In case retail portion is undersubscribed, the unsubscribed portion will be allotted to successful bidders on pro-rata basis.

Instructions for Registration and Bidding

1. Only registered investors will be eligible to participate in the bidding process.
2. Investors are required to fill in the Registration Form and submit the complete Registration Form along with Duplicate Registration Form and Margin Money at the Bid Collection Centers during the Registration Period.
3. For deposit of Margin Money only Pay Orders, Demand Drafts or a Bank Receipt evidencing Online Transfers in the designated bank account shall be accepted during the Bidding Period. **Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.**
4. Once the investor is registered in the System, the investor will receive Username and Password via an automatically generated e-mail through the System software.
5. Investors can directly place their bids online during the Bidding Period by using the Username and Password provided to them via e-mail or submit the Bidding Form at the bid collection centers in person.
6. On entry of bid in the System, the investors will receive an e-mail confirmation of their bid via the System software.
7. Investors can upward revise their bids online. Please visit www.bkb.psx.com.pk to access online portal. Online access will be available for upward bid revisions during the Bidding Period from 9:00 am to 5:00 pm. An investor shall not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing Indicative Strike Price. **NO DOWNWARD REVISION IN BID AMOUNT, PRICE, OR VOLUME, OR WITDRAWAL OF BID SHALL BE ALLOWED.**

Please Note:

1. Fill in all the particulars of the form accurately in **BLOCK LETTERS**.
2. For deposit of margin money, only Pay Orders, Demand Draft will be accepted or online transfer facility (pay order or demand draft may be deposited at any branch of JS Bank Limited and evidence to be submitted to the Book Runner) into the respective Book Building account, A/C # [•], titled “Air Link Communication Limited - Book Building” maintained at JS Bank Limited, Circular Road Branch, Lahore.
3. Kindly provide a copy of CNIC or Passport (in case of Individual Investors) or NTN Certificate / Certificate of Incorporation (in case of Institutional Investor) along with the Registration Form.
4. Applicants are requested to provide accurate contact details. Please provide accurate landline number(s), mobile number(s), fax number(s), UIN(s), NTN number and e-mail address(es).
5. **Bidders are requested to provide two copies of the payment instrument at the time of bid submission.**
6. The National Taxation Number (“NTN”) of Air Link Communication Limited is 4349113-8. This NTN shall be required by applicants for making their respective pay orders.
7. The Bidder is required to duly fill Additional Payment Form for depositing additional funds for enhancement of deposit amount.

8. In case the retail portion is fully subscribed, the bid money shall be refunded or unblocked, immediately but not later than 3 working days from the last day of final allocation
9. All payments are to be made in favor of “Air Link Communication Limited - Book Building” at any of the following bidding centers:

| Karachi | |
|--------------|---|
| Name: | Zeeshan Abid Siddiqui / Maaz Ahmed Khan |
| Phone: | 021-3889-3069 |
| Fax: | |
| E-mail: | zeeshan.siddiqui@js.com / maaz.khan@js.com |
| Address: | 16th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi |
| Name: | Osama Yaqoob |
| Phone: | +92-21-34835701-9 |
| Fax: | |
| E-mail: | osama.yaqoob@js.com |
| Address: | Suite No. 607 /A, 6th Floor, Al Ameen Towers, Plot # E-2, Block-10, Gulshan-e-Iqbal, Main NIPA, Karachi |
| Lahore | |
| Name: | Ibraheem Abid Mir |
| Phone: | +92-42-35291025 |
| Fax: | |
| E-mail: | ibraheem.mir@js.com |
| Address: | Plot No. 434, G/1, 2nd Floor, MA Johar Town, Lahore |
| Islamabad | |
| Name: | Zahid Mahmood |
| Phone: | +92-51-111-574-111 |
| Fax: | +92-51-2894417 |
| E-mail: | zahid.mahmood@js.com |
| Address: | Office No. 413, 4th Floor, ISE Towers 55-B, Jinnah Avenue, Islamabad |
| Peshawar | |
| Name: | Zeeshan Aleem |
| Phone: | +92-91-5285221-5 |
| Fax: | |
| E-mail: | zeeshan.aleem@js.com |
| Address: | 1st Floor, SLIC Building # 34, The Mall Road, Peshawar Cantt, Peshawar |
| Multan | |
| Name: | Muhammad Riaz Naseeb Khan |
| Phone: | +92-61-4570260-66, 68, 69 |
| Fax: | +92-61-4570267 |
| E-mail: | riaz.khan@js.com |
| Address: | Office # 608-A, 6th Floor, United Mall, Plot # 74, Abdali Road, Multan |
| Faisalabad | |
| Name: | Rakshanda Javed Malik |
| Phone: | +92-41-2541900-8 |
| Fax: | +92-41-2541909 |
| E-mail: | rakshanda.javed@js.com |
| Address: | Office No. G-4, Meezan Executive Tower, Liaquat Road, Faisalabad |
| Quetta | |
| Name: | Mr. Zarak Khan Kasi |
| Phone: | 081-286 5503-5 |
| Fax: | |
| E-mail: | zarak.khan@jsbl.com |
| Address: | Khasra # 2 Qittat, Ward # 16, Tappa Urban # 01, M. A Jinnah Road, Opposite Bilal PCO Tehsil City & District, Quetta |
| Gilgit | |
| Name: | Mr. Iftikhar Hussain |
| Phone: | 05811-450610-12 |
| Fax: | |
| E-mail: | iftikhar.hussain@jsbl.com |
| Address: | Qalander Plaza, City Tower, Cinema Bazar, Gilgit |
| Azad Kashmir | |
| Name: | Mr. Ejaz Hussain |
| Phone: | 05827-4488672-73 |
| Fax: | |
| E-mail: | ejaz.hussain@jsbl.com |
| Address: | Younus Plaza, Allama Iqbal Road, Nangi Azad Kashmir |

10. CASH MUST NOT BE SUBMITTED WITH REGISTRATION FORM AT THE BID COLLECTION CENTER.
11. THE BID SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM ALONG WITH THE REGISTRATION FORM IN PERSON OR THROUGH FAX AT THE NUMBERS MENTIONED IN NOTE 9 ABOVE. REGISTERED INVESTORS CAN ALSO PLACE THEIR BIDS DIRECTLY VIA THE ONLINE PORTAL BY VISITING WWW.BKB.PSX.COM.PK.
12. Bids can be placed at “Limit Price” or “Step Bid”.

- **Payment for Limit Bid:**

If investors are placing their bids through “Limit Price” then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, a Bidder may bid for 1 million shares at PKR 56.00 per share. In such a case the total application money would amount to PKR 56 million. In this case the Bid Amount will also be PKR 56 million. Since the Bidder has placed a limit of PKR 56.00 per share, this indicates that he / she / it is willing to subscribe at or below PKR 56.00 per share.

- **Payment for Step Bid:**

If investors are placing their bids through “Step Bid” which is a series of limit bid at increasing prices then they shall deposit the Margin Money / Bid Amount based on the total number of shares they are bidding for at their stated bid price. The aggregate amount of step bid shall not be less than PKR 2,000,000/- and the amount of any step shall also not be less than PKR 2,000,000/-.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. a Bidder may, for instance, make a bid for 0.50 million shares at PKR 56.00 per share, 0.40 million shares for PKR 57.00 per share and 0.30 million shares for PKR 58.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising three Limit Bids at increasing prices. The Bid amount would be PKR 68.20 million. In case of Individual Investors, the Margin Money will be 100% i.e. PKR 68.20 million whereas in case of Bidders being Institutional Investors the Margin Money shall be 25% of the Bid amount i.e. PKR 17.05 million.

13. The applicant, if Individual Investor, shall submit amount of 100% of the application money as Bid / Margin Money whereas Institutional Investors shall submit not less than 25% of the application money. Provided that the Book Runner may waive this margin requirement for institutional investors at its own discretion.
14. Book Runner shall not accept or register any new Bidders after **3:00pm during the last day of Bidding Period**.
15. The Bidder can view the color of the book, i.e. bid price and number of shares against each bid price online anytime during the Bidding Period at the following websites: www.psx.com.pk
16. Successful Bidders shall be intimated, within **one (1) day** of the closing of the Bidding Period, the Strike Price and the number of shares provisionally allotted to each of them.
17. Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin money within **three (3) days** of such intimation.
18. Where a successful Bidder defaults in payment of shares allotted to him, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.
19. Final allotment of shares out of the Book Building portion shall be made after receipt of full subscription money from the successful bidders; however, shares to such bidders shall be credited at the time of credit of shares out of the retail portion, in the form of book-entry to be credited in their respective accounts. All the bidders shall, therefore, provide number of their accounts in the Registration Form.
20. The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within **one (1) working day** of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within **three (3) working days** from the close of the bidding period.
21. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis.



For investor education, please visit www.jamapunji.com.pk, Jama Punji is an investor education initiative of Securities and Exchange Commission of Pakistan.

17 REGISTRATION FORM

| | | | | | |
|---|---|--|--------|----------------------------------|-------|
| AIR LINK COMMUNICATION LIMITED | Book Runner | Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> GLT <input type="checkbox"/> MUL Registration Dates [Month] [•], 2020 to [Month] [•], 2020 and [Month] [•], 2020 to [Month] [•], 2020 Bidding Dates [Month] [•], 2020 to [Month] [•], 2020 Bidding form No. | | | |
| NEW ISSUE AND OFFER FOR SALE OF ORDINARY SHARES OF AIR LINK COMMUNICATION LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 56.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 46.00/- PER SHARE) | | | | | |
| PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE | | | | | |
| Name | | CNIC / UIN / Passport # NTN* | | | |
| Address | | Cell # | | | |
| | | Land Line # | | | |
| | | Fax # | | | |
| Email | | | | | |
| PLEASE TICK THE APPROPRIATE BOX | | Nationality (If other than Pakistani) | | | |
| <input type="checkbox"/> Local Institutional Investor | <input type="checkbox"/> Resident | | | | |
| <input type="checkbox"/> Foreign Institutional Investor | <input type="checkbox"/> Non Resident | | | | |
| <input type="checkbox"/> Individual Investor | <input type="checkbox"/> Foreigner | | | | |
| * INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILERS OR NON TAX RETURN FILERS FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANY. | | | | | |
| Payment Details: | Payments to be made in favor of : <i>"Air Link Communication Limited – Book Building"</i> | | | | |
| Amount in Figures | | Instrument No. | | | |
| Instrument Date | | Margin %age | | | |
| Banker's Name, Address & Branch | | | | | |
| CDC Details for Sub A/C and House A/C | | | | | |
| CDC Participant Name | | CDC Participant ID No | | | |
| Sub House A/C No | | House A/C No. | | | |
| CDC Details for Investor A/C | | | | | |
| CDC Investor Service A/C ID | | CDC Investor A/C No | | | |
| I/WE UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION. | | | | | |
| I/WE DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form and Registration Form. The same terms and conditions would be applicable on the Bid Revision Form and Additional Payment Form. | | | | | |
| Signature of Bidder: _____ | | | | | |
| To be filled in by the Book Runner: | | | | | |
| Time of Receipt | Date | Location | Amount | Pay Order No. / Demand Draft No. | Stamp |



For investor education, please visit www.jamapunji.com.pk.
 Jama Punji is an investor education initiative of Securities and Exchange Commission of Pakistan.

18 BIDDING FORM

| AIR LINK COMMUNICATION LIMITED | Book Runner | Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> FSB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> GLT <input type="checkbox"/> MUL Registration Dates [Month] [•], 2020 to [Month] [•], 2020 and [Month] [•], 2020 to [Month] [•], 2020 Bidding Dates [Month] [•], 2020 to [Month] [•], 2020 Bidding form No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|--|-------------|--|--|--|--|----------------------------|----------------------------------|-------------------------------|--------------------------|--|--|--|-------------|--|--|--|-----------|--|--|--|------------|--|--|--|------------|--|--|--|------------|--|--|--|------------|--|--|--|-------------------------------|--|--|--|
| NEW ISSUE AND OFFER FOR SALE OF ORDINARY SHARES OF AIR LINK COMMUNICATION LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 56.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 46.00/- PER SHARE) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name | Please Tick the appropriate box | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Local Institutional Investor | <input type="checkbox"/> Foreign Institutional Investor | <input type="checkbox"/> Individual Investor | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Client ID | Cell # | Resident <input type="checkbox"/> | Nationality (if other than Pakistani) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Land Line# | Non Resident <input type="checkbox"/> Foreigner <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fax # | Email: | CNIC / Passport #/ UIN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | NTN* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILERS OR NON TAX RETURN FILERS FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE 15.0% APPLIES TO FILERS INSTEAD OF 30.0% FOR NON-FILERS ON PAMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANY. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dividend Mandate: Mark tick (✓) in the appropriate boxes Yes [] No [] In case the applicant intends that if Shares applied for are credited to him/it and the dividend declared by the Company, if any, is credited directly in his/its bank account, instead of issue of dividend warrants, then please fill in the following boxes: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| The Directors of Air Link Communication Limited, LG-2, Al – Qadeer Heights, 1 – Babar Block, New Garden Town, Lahore. Dear Sir, On the basis of the Air Link Communication Limited for the Offer for Sale and New Issue of Ordinary Shares, I / we hereby bid for subscription of shares of the Company as under: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Bid Details</th> </tr> <tr> <th style="width:30%;"></th> <th style="width:20%;">No. of Shares (In Figures)</th> <th style="width:20%;">Bid price per share (In Figures)</th> <th style="width:30%;">Total Bid Amount (In Figures)</th> </tr> </thead> <tbody> <tr> <td>Bid Option (Please tick)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Limit Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Step Bid:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Option (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Option (2)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Option (3)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Option (4)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total (Shares and Bid)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | Bid Details | | | | | No. of Shares (In Figures) | Bid price per share (In Figures) | Total Bid Amount (In Figures) | Bid Option (Please tick) | | | | Limit Price | | | | Step Bid: | | | | Option (1) | | | | Option (2) | | | | Option (3) | | | | Option (4) | | | | Total (Shares and Bid) | | | |
| Bid Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | No. of Shares (In Figures) | Bid price per share (In Figures) | Total Bid Amount (In Figures) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bid Option (Please tick) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Limit Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Step Bid: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Option (1) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Option (2) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Option (3) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Option (4) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total (Shares and Bid) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Important Instructions: <ol style="list-style-type: none"> Bids should be placed for a minimum amount of PKR 2,000,000/-. It should also be noted that number of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price is at least PKR 2,000,000/-. Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 2,000,000/- at least. Any bids received below the Floor Price will not be accepted by the Book Runner. An Investor shall not be allowed to withdraw or downward revise their bids. An Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| For investor education, please visit www.jamapunji.com.pk . Jama Punji is an investor education initiative of Securities and Exchange Commission of Pakistan. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| _____ Signature of Bidder | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange (“PSX”), I/we am/are eligible to bid in this Initial Public Offering. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the Registration Form, the Bidding Form and other applicable laws. I/We undertake that I/we will sign all such other documents and do all such acts, if necessary, on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/We authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in their absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filling of the same with the Securities and Exchange Commission of Pakistan (“SECP”).

I understand that the Company, the Book Runner, SECP and Pakistan Stock Exchange (“PSX”) reserve the right of legal action against me under the law, if I submit a fictitious bid and/or the instrument deposited by me for margin money is returned.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FORIEGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

I/WE UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of “**Air Link Communication Limited - Book Building**”. For online transfer facility the payment shall be made into A/C # [] being maintained at JS Bank Limited – Circular Road branch, Lahore with the Account Title “**Air Link Communication Limited - Book Building**”.
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible Investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders “**payable at any branch**” will be accepted. For the purpose of expediting the clearing of the instrument it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can upward revise their bids online. Please visit www.bkb.kse.com to access the online portal. Username and Password will be e-mailed to you on the e-mail address provided in the form. Please ensure that you provide correct e-mail address. Online access will be available for upward bid revisions during the bidding period from 9:00am to 5:00pm. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price. However, **no downward revision in bid amount, price, or volume, or withdrawal of the bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: _____



To be filled in by the Book Runner:

| Time of Receipt | Date | Location | Stamp |
|-----------------|------|----------|-------|
| | | | |

19 GENERAL SUBSCRIPTION FORM

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

عوام اپنا س کوٹھن کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سیکشن 87(7) کے تحت مجھ کو اپنی اصل درخواستیں درجہ ذیل کے خلاف دوسری کرنے والوں کی رقم، جو درخواست کے ساتھ پیش کرتی جاتی ہے، واپس لیا جائے گا۔ سیکشن 87(8) کے تحت مجھ کو ہاسٹن ہے۔

Jama Punji
 For Details Visit: www.airlink.com.pk
 Exchange Commission of Pakistan

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE OFFER FOR SALE DOCUMENT ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

Air Link Communication Limited (AIRLINK)
APPLICATION FOR SUBSCRIPTION OF ORDINARY SHARES

As per Section 72 of the Companies Act, 2017, the Company shall have shares in book entry form only. Therefore, shares of AIRLINK shall only be offered in scrip-less form in the CDS of CDCPL. (Refer to instruction No. 3 on the reverse hereof)

AIR LINK
 The Directors,
 Air Link Communication Limited
 LG-2, Al-Qadeer Heights, 1-B
 Babar Block, New Garden Town,
 Lahore, Pakistan
 www.airlinkcommunication.com

| | | |
|--|---------------------------------|---|
| CDC PARTICIPANT / ACCOUNT HOLDER ID | SUB ACCOUNT NUMBER | HOUSE A/C NO. |
| | | |
| OR | | |
| CDC INVESTOR ACCOUNT SERVICES ID | CDC INVESTOR ACCOUNT NO. | Do you want to avail CDC's facility of IPO FACILITATION ACCOUNT* |
| | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

1) I/we apply for the following number of Ordinary Shares at the Issue Price for the value indicated below:

| | | |
|----------------------------------|------------------------------|--|
| No. of Shares Applied For | Amount Payable in PKR | Cheque/ Demand Draft/ Pay Order No. |
| | | |

2) I/we agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/we authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

3) **DECLARATION**
 I/We declare that: i) I am/We are national(s) of _____; ii) I am/We are not minor(s); iii) I/We have not made nor have I/We instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/we understand that I/we shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.
 Yours faithfully,

Signature(s) a) _____ b) _____

4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

a) Name in Full (as per CNIC)
 Dr. Mr. Mrs. Ms. Please Tick
 Father's/Husband's Name (as per CNIC)
 Identity Number (CNIC/ Passport/ Registration Identity Number (NTN*))

*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 10% APPLIES TO FILERS INSTEAD OF 30% FOR NON FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANY.

Full Address (including Email Address)
 Phone No. (including Mobile Number), if any
 Bank Account No.
 Branch Name & Address

Additional Information - For Non-Resident Pakistanies and Foreign Investors Only
 Place of Issue of Passport
 Corporate Business Letter enclosed Yes No Nationality Code Date of Issue of Passport (DD-MM-YYYY)
 Country of Residence

5) **FOR JOINT HOLDER, IF ANY**
 b) Name in Full (as per CNIC)
 Dr. Mr. Mrs. Ms. Please Tick
 Identity Number (CNIC/ Passport/ Registration)

6) **DIVIDEND MANDATE (Optional):** Mark tick [✓] in the appropriate boxes Yes [] No []
 In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholders bank account instead through dividend warrants, please fill in the following boxes.

Title of Account
 IBAN Number
 Bank Name
 Branch Name and Address

Signature of the Applicant as per the Bank account
 (TO BE FILLED IN BY THE APPLICANT'S BANKER)

7) It is certified that the above-mentioned applicant(s) is/are maintaining account number as mentioned above at this bank branch and his/her/their particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.

Note: In case the subscription money is paid through a bank other than the Bankers to the Issue (through pay order or bank draft), this certification shall be provided by the manager of the bank where the applicant maintains his/her bank account.

Bank's Authorized Signatory
 Bank's Rubber Stamp

SPECIMEN SIGNATURE(S) OF THE APPLICANT
 NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)
 a) _____
 b) _____

Bankers to the Offer's Provisional acknowledgement of application for Shares of Air Link Communication Limited

Received from Mr/Ms/Ms. _____ application for _____ Shares/Certificates.

| | | | |
|---------------------|--------------------|-------------------------------|------------------------|
| Name of Bank | Branch Code | Application Serial No. | Date of Receipt |
| | | | |

Signature of Authorized Representative & Rubber Stamp of Receiving Bank

IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application

APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors include:**
 - Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including Pakistani nationality;
 - Foreign Nationals whether living in or outside Pakistan;
 - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
 - Mutual Funds, Provident / pension / gratuity funds / trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
- Copies of the Prospectus and applications forms can be obtained from the Trading Rights Entitlement Certificate (TREC) Holders of PSX, the Bankers to the Issue and their Branches, the Consultant to the issue and the registered office of Air Link Communication Limited. The Prospectus and the Application Forms can also be downloaded from the following websites:** <https://www.airlinkcommunication.com>, <https://www.jsqcl.com> & <https://eipo.cdcaccess.com.pk/public/index.xhtml>
- The applicants are required to complete the relevant sections of the application in order to get the Shares in scrip-less form. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such shares is allowed ONLY in the applicant's own CDC account OR in CDC's IPO Facilitation Account. (IPO Facilitation Account is an Investor Account opened by CDC under its Regulations for the purpose of crediting and holding of Shares on behalf of individual Pakistani investors who have subscribed to such Shares offered by an Issuer/Offeror).
- Name(s) and address(es) must be written in full block letters, in English, and should not be abbreviated.**
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and computerized national identity card (CNIC) or national identity card for overseas Pakistani (NICOP) or passport, both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - In case of individual investors, a photocopy of the CNIC (in case of resident Pakistanis) / NICOP or Passport (in case of non-resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant.
 - Original CNIC / NICOP / Passport, along with a photocopy, must be produced for verification to the Banker to the issue and the applicant's banker (if different from the Banker to the issue) at the time of presenting an application. The photocopy will, after verification, be retained by the branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by a photocopy of their memorandum and articles of association or equivalent instrument / document. Where applications are made by virtue of power of attorney, the same should also be submitted along with the application.
 - Photocopies of the documents mentioned in paragraph 6(i) above must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The copies, will after verification, be retained by the bank branch along with the application.
- Only one application will be accepted against each account, however, in case of joint accounts, one application may be submitted in the name of each joint account holder.
- Joint application in name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit copies of their CNICs / NICOP / Passports. The shares will be credited to the CDS account mentioned on the face of the form OR in CDC's IPO Facilitation Account and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit, or return. Please note that application will be considered as a single application for the purpose of allotment of shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue in favor of "Air Link Communication Limited – General Subscription" and crossed "A/C PAYEE ONLY".
- For the application made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.**
- Applications are not to be made by minors and / or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Banker to the issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the issue.**
- It would be permissible for a Banker to the issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- Submission of false and fictitious applications is prohibited and such Application Money may be forfeited under section 87(8) of Securities Act, 2015.**

عوام اتناں کو مطلع کیا جاتا ہے کہ سیکورٹیز ایکٹ 2015 کی سشن نمبر (7) 87 کے تحت جمہوری یا جعلی درخواستیں دینا قانوناً ناجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ایکٹ 2015 کی سشن نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of Foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the applications. Copies of these documents can be attested by the Bank Manager in the country of applicant's residence.
- Foreign / Non – residents should follow payment instruction given in [section 12.16](#) of the Prospectus.

BASIS OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (Issue Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment / transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
- The allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / the instructions by the Securities and Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all the data fields in the application form.**
- The Issuer will credit the respective CDS accounts of the successful applicants.

BANKERS TO THE ISSUE

| Code | Name of Banks | Code | Name of Banks |
|------|----------------------|------|---------------------------------|
| 01 | United Bank Limited | 06 | Faysal Bank Limited |
| 02 | JS Bank Limited | 07 | Bank Al Habib Limited |
| 03 | Bank Alfalah Limited | 08 | Meezan Bank Limited |
| 04 | Dubai Islamic Bank | 09 | Soneri Bank Limited |
| 05 | MCB Bank Limited | 10 | Habib Metropolitan Bank Limited |

8. OCCUPATION CODE

| Code | Occupation | Code | Occupation |
|------|--------------------|------|---------------|
| 01 | Business | 06 | Professional |
| 02 | Business Executive | 07 | Student |
| 03 | Service | 08 | Agriculturist |
| 04 | Housewife | 09 | Industrialist |
| 05 | Household | 10 | Other |

- In order to facilitate investors, United Bank Limited ("UBL") and Bank Alfalah ("BAFL") are offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via <http://www.ublirect.com/corporate/ebank>. BAFL account holders can use BAFL Net Banking to submit their applications via [link https://netbanking.bankalfalah.com](https://netbanking.bankalfalah.com). Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on **DDMM/2020**.
- The Central Depository Company of Pakistan Limited (CDC) has developed a Centralized e-IPO System (CES) through which applications for subscription of shares offered to the general public can be made electronically. CES has been made available in this IPO and can be accessed through the web link (www.cdcipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account or CDC's IPO Facilitation Account) may registered themselves with CES.
- Investors who do not have CDS account may visit www.cdcipakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com. For further detail on CES, please refer to [section 13.2](#) of the Prospectus.

NATIONALITY CODE

| Code | Name of Country | Code | Name of Country |
|------|-----------------|------|-----------------|
| 001 | U.S.A. | 006 | Bangladesh |
| 002 | U.K. | 007 | China |
| 003 | U.A.E. | 008 | Bahrain |
| 004 | K.S.A. | 009 | Other |
| 005 | Oman | | |

For further queries you may contact:

Air Link Communication Limited: Mr. Nusrat Mahmood / Mr. Imran Ali Kazmi; P: (42) 35844063-4 Ext 141,137; E-mail: nusrat@airlinkcommunication.net / imran.kazmi@airlinkcommunication.net
 JS Global Capital Limited: Mr. Badr Siddiqui / Mr. Zeeshan Abid Siddiqui; P: (21) 3889 3069; E-mail: badr.siddiqui@js.com / jsinvestmentbanking@js.com