



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

PSX/N-7244

NOTICE

November 15, 2017

**SEEKING PUBLIC COMMENTS ON DRAFT PROSPECTUS OF
HIRA TERRY MILLS LIMITED**

It is hereby informed to all concerned that **HIRA TERRY MILLS LIMITED** has applied for Listing on the Exchange and has submitted the draft Prospectus for issue of shares to High Net-worth Individuals / Institutional Investors through Book Building followed by issue of shares of the Company to the General Public / Retail Investors.

The draft Prospectus of the Company is hereby placed on the Website of the Exchange under caption "**Public Comments on Draft Prospectus of HIRA TERRY MILLS LIMITED**" for seeking public comments as required under Section 3 (11) of the Public Offering Regulations, 2017 and the Regulation No. 5.2.2 (ac) of Listing of Companies and Securities Regulations of PSX.

It is requested to submit written comments on the draft Prospectus, if any, either in hard form or through email at comments.draftprospectus@psx.com.pk addressed to the undersigned latest by **November 23, 2017**.

MUHAMMAD GHUFRAN
Deputy General Manager – Operations

Copy to:

1. The Executive Director (PRDD), SMD, SECP
2. The Director (CI), Public Offering & Regulated Persons Department, SECP
3. The Chief Executive Officer, PSX
4. The Chief Executive Officer, CDC
5. The Chief Executive Officer, NCCPL
6. Acting Chief Regulatory Officer – PSX
7. All Head of Departments – PSX
8. PSX Notice Board & Website
9. AKD Securities Limited

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 PARAGRAPH 4.13** BEFORE MAKING ANY INVESTMENT DECISION.

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

"ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

UNDER REGULATION 10(2) (V) OF THE PUBLIC OFFERING REGULATIONS, 2017 (THE PO REGULATIONS), 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 REGULATION 10(2) (iv) OF 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 AS PER THE PO REGULATIONS, 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, AND CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM.



HIRA TERRY MILLS LIMITED

DRAFT PROSPECTUS

THE ISSUE CONSISTS OF 25,000,000 ORDINARY SHARES (34.62% OF THE POST ISSUED PAID UP CAPITAL OF HIRA TERRY MILLS LIMITED) OF FACE VALUE PKR 10.00 EACH. THE ISSUE IS BEING MADE THROUGH THE BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- PER SHARE). THE BOOK BUILDING PORTION OF THE ISSUE COMPRISES OF 18,750,000 ORDINARY SHARES (75% OF THE TOTAL ISSUE) AT A FLOOR PRICE OF PKR 23.00/- (INCLUDING PREMIUM OF PKR 13.00/- PER SHARE) THE GENERAL PUBLIC PORTION OF THE ISSUE CONSISTS 6,250,000 SHARES (25% OF THE TOTAL ISSUE) AT THE ISSUE PRICE.

The bidders shall be allowed to place bids for seventy-five (75%) percent i.e. 18,750,000 of the issue size shares and the Strike Price shall be the price at which the seventy-five percent (75%) of the issue is subscribed. The remaining twenty-five percent (25%) i.e. 6,250,000 shares will be offered to retail investors. In case the retail portion of the offer size is oversubscribed, the portion allocated to book building investors shall be allotted to retail investors in the manner given in section **2.2.21**

Justification of premium is given under "Valuation Section" in paragraph **2.1**

As per regulation 3(11) of the PO Regulations read with regulation 5.2.2. of the PSX's Regulations for Listing of Companies and Securities (the Listing Regulations), the Draft Prospectus was placed on PSX's website for seeking public comments for seven (7) working days starting from **DD, MM** 2017 to **DD, MM**, 2017. 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 09:00 AM on **DD, MM**, 2017 and will close at 03:00 PM on **DD-MM**, 2017

BIDDING PERIOD DATES: From **DD-MM**, 2017 to **DD-MM**, 2017 FROM 09:00 AM TO 05:00 PM
DATE OF PUBLIC SUBSCRIPTION: From **DD-MM**, 2017 to **DD-MM**, 2017 FROM 09:00 AM TO 05:00 PM

CONSULTANT TO THE ISSUE

BOOK RUNNER



BANKER FOR THE BOOK BUILDING PORTION: DUBAI ISLAMIC BANK PAKISTAN LIMITED

BANKERS FOR THE RETAIL PORTION:

Al Baraka Bank Limited	Allied Bank Limited	Askari Bank Limited	Bank Alfalah Limited
Faysal Bank Limited	Habib Bank Limited	Habib Metropolitan Bank	MCB Bank Limited
	Summit Bank Limited	United Bank Limited	

*In order to facilitate investors, Bank Alfalah Limited, Summit Bank Limited & United Bank Limited are providing facility of electronic submission of application (e-IPO) to their account holders. BAFL account holders can use BAFL internet banking to submit their application via link <https://netbanking.bankalfalah.com>. UBL account holders can use UBL internet banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>. SMBL account holders can use SMBL internet banking to submit their application via link <https://ib.summitbank.com.pk>. 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**, 2017.

The Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered 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 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) 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 would be connected to different entities (1Link, banks etc.) for payment of the subscription money. For further details on CES, please refer para 2.3.3 of this Prospectus.

BOOK BUILDING PORTION UNDERWRITTEN BY



For investor education please visit www.jamapunji.pk
Jama Punji is an investor education initiative of the Securities & Exchange Commission of Pakistan

Date of Publication of this Prospectus: DD-MM-YYYY

Prospectus, Bidding Form and Subscription Form can be downloaded from the following websites:

www.akdsecurities.net | www.arifhabibltd.com | www.hiramills.com.pk

For further queries you may contact

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Mr. Usman Khalid +92 42-35714191 (144) usman.khalid@hiramills.com.pk	Mr. Waleed Zafar +92 21 3582 2831 waleed.zafar@akdsecurities.net	Mr. Abdul Qadir +92 21 3243 3542 abdul.qadir@arifhabibltd.com
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UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

02-MAY-2017

WE UMAIR UMAR THE CHIEF EXECUTIVE OFFICER AND USMAN KHALID CHIEF FINANCIAL OFFICER OF HIRA TERRY MILLS LIMITED CERTIFY THAT;

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARDS 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 THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE 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.”
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 PARAGRAPH 3 OF THE PROSPECTUS.

For and on behalf of, **Hira Terry Mills Limited:**

-Sd-

-Sd-

Umair Umar
Chief Executive Officer

Usman Khalid
Chief Financial Officer

Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of HIRA TERRY MILLS LIMITED is published

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to Regulation 11(1) of Public Offering Regulations, 2017 and in continuation of the Prospectus of HIRA TERRY MILLS LIMITED earlier published on **MM DD, YYYY.**

HIRA TERRY MILLS LIMITED

- FLOOR PRICE : PKR 23.00/- PER SHARE
- STRIKE PRICE : PKR **XX**.00/- PER SHARE
- ISSUE PRICE: PKR **XX**.00/- PER SHARE

Underwriters to the retail portion of the Issue

S. No.	Names of Underwriter	No. of shares Underwritten	Amount (PKR)	Date of Underwriting Agreement	Date of Due Diligence Report
(i)	•	•	•		
(ii)	•	•	•		
(iii)	•	•	•		
TOTAL		•	•		

- Underwriting Commission (in % age):
- Take up Commission (in % age), if any:
- Interest of Underwriters, in the Issue and the Issuer other than their role as Underwriters: The Underwriters are deemed to be interested to the extent of underwriting & take-up commission payable to them by the Issuer for the amount underwritten. The Underwriters have no other interest in any property or profits of the Company

CATEGORY WISE BREAKUP OF SUCCESSFUL BIDDERS

S. NO	CATEGORY	NO OF BIDDERS	NO. OF SHARES PROVISIONALLY ALLOCATED
	INSTITUTIONAL INVESTORS:		
	Commercial banks		
	Development Financial Institutions		
	Mutual funds		
	Insurance Companies		
	Investment Banks		
	Employees' Provident/ Pension Funds		
	Leasing Companies		
	Modarabas		
	Securities Brokers		
	Foreign Institutional Investors		
	Any other Institutional Investors		
	TOTAL INSTITUTIONAL INVESTORS		
	INDIVIDUAL INVESTORS:		
	Foreign Investors		
	Local Investors		
	TOTAL INDIVIDUAL INVESTORS		
	GRAND TOTAL		

Glossary of Abbreviations and Terms

AHL	Arif Habib Limited
AKDS	AKD Securities Limited
bn	Billion
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
CNIC	Computerized National Identity Card
COD	Commercial Operations Date
COI	Certificate of Incorporation
Collection Bank	Dubai Islamic Bank Pakistan Limited
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization
EPS	Earnings Per Share
FBR	Federal Board of Revenue
FED	Federal Excise Duty
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
GoP	Government of Pakistan
HNWI	High Net Worth Individual
HTML	Hira Terry Mills Limited
IPO	Initial Public Offering
Issuer / Company	Hira Terry Mills Limited
ITO	Income Tax Ordinance, 2001

KIBOR	Karachi Inter Bank Offer Rate
LC	Letter of Credit
LTM	Last Twelve Months
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
PSX/Stock Exchange	Pakistan Stock Exchange Limited
PKR	Pakistan Rupee(s)
Regulations	Public Offering Regulations, 2017
ROA	Return on Asset
ROE	Return on Equity
RLNG	Re-gasified Liquefied Natural Gas
SCRA	Special Convertible Rupee Account
SST	Sindh Sales Tax
TREC	Trading Right Entitlement Certificate
UIN	Unique Identification Number
USD	US Dollars
WHT	Withholding Tax
YoY	Year on Year

DEFINITIONS

Act	Securities Act 2015.
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 with whom an account is opened and maintained by the Issuer for keeping the Bid amount. In this Issue, Dubai Islamic Bank Pakistan Limited has been appointed as Banker to the Book Building.
Bid(s)	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Hira Terry Mills Limited at a price at or above the Floor price, including upward revisions thereto. An Eligible Investor shall not make a Bid with price variation of more than 10% of the prevailing indicative Strike Price. Please refer to Paragraph 2.2.24 for details.
Bid Amount	The amount equals to the product of the number of shares Bid for and the Bid price.
Bid Collection Center	Designated offices of the Book Runner, specified branches of any of the Scheduled Bank 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 <u>Paragraph 2.2.6 of this Prospectus.</u>
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 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 Regulations. As per the Regulation 10(2)(vi) of the Regulations, the Bidder shall not make downward revision or withdraw their Bids.
Bidder	An Eligible Investor who makes Bids 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.

	<p>The Bidding Period shall be of two days, from DD-MM-2017 to DD-MM-2017 both days inclusive (daily from 09:00 AM to 05:00 PM).</p>
<p>Book Building</p>	<p>A process undertaken to elicit demand for shares Issued through which Bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.</p>
<p>Book Building Account</p>	<p>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 Paragraph 2.2.16 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.</p>
<p>Book Building Portion</p>	<p>The part of the total Issue allocated for subscription through the Book Building.</p>
<p>Book Runner</p>	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>Arif Habib Limited has been appointed as Book Runner for this Issue.</p>
<p>Centralized e-IPO System (CES)</p>	<p>In order to facilitate investors, the Central Depository Company of Pakistan (“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 Offer for Sale 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.</p> <p>For making application though 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) may registered themselves with CES.</p> <p>Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC: Contact Number: 0800 – 23275 (CDCPL) E-mail: info@cdcpak.com.</p>

<p>Collection Bank</p>	<p>Dubai Islamic Bank Pakistan Limited is the Collection bank for the Book Building Portion. For this purpose, Dubai Islamic Bank Pakistan Limited has opened an account titled “IPO of Hira Terry Mills Limited - Book Building”, Number: xxx at its [xxx] Branch, [City]. 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/ dispatched to the successful Bidders and applicants, the Consultant 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 applications to the Issuers’ account(s).</p>
<p>Company/Issuer</p>	<p>Hira Terry Mills Limited (the “Company” or “HTML”).</p>
<p>Company’s Legal Advisor</p>	<p>Raja Mohammad Akram & Co. 33-C Main Gulberg Lahore, Pakistan.</p>
<p>Commission</p>	<p>Securities & Exchange Commission of Pakistan.</p>
<p>Consolidated Bids</p>	<p>A bid which is fully or partially beneficially owned by persons other than the one named therein.</p>
<p>Consultant to the Issue</p>	<p>Any person licensed by the Commission to act as a Consultant to the Issue.</p> <p>AKD Securities Limited (“AKDS”) has been appointed as Consultant to this Issue.</p>
<p>Designated Institution</p>	<p>Includes Securities Exchange, Central Depository and Clearing House approved by the Commission to provide a system for conducting Book Building.</p> <p>Pakistan Stock Exchange Limited will act as the Designated Institution for this Issue.</p>
<p>Dutch Auction Method</p>	<p>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 numbers of shares Issued under the Book Building Portion are subscribed.</p>
<p>e-IPO facility</p>	<p>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:</p> <p>(i) Centralized e-IPO System (CES): In order to facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for</p>

subscription of securities offered to the General Public can be made electronically. 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 website.

For making application through CES, investors must be registered with CES. Registration with CES is 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), bank account with any of the 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

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-2017.

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

Bank Alfalah Limited ("BAFL") account holders can use BAFL internet banking to submit their application via link: <https://netbanking.bankalfalah.com>

Summit Bank Limited ("SMBL") account holders can use SMBL internet banking to submit their application via link: <https://ib.summitbank.com.pk>

United Bank Limited ("UBL") account holders can use UBL internet banking to submit their applications online via link: <http://www.ubldirect.com/corporate/ebank>

Account holders of BAFL, SMBL and UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on DD-MM-2017.

Eligible Investor

An Individual and Institutional Investor whose Bid Amount is not less than the minimum Bid size of PKR 1,000,000 (One Million Rupees only).

Floor Price

The minimum price per share set by the Issuer in consultation with Consultant to an Issue. For this Issue, Floor

<p>General Public</p>	<p>Price is PKR 23.00/- per share.</p> <p>All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.</p>
<p>Initial Public Offer (IPO)</p>	<p>Initial Public Offering or IPO means first time offer of securities to the General Public.</p>
<p>Institutional Investors</p>	<p>Any of the following entities:</p> <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act,2017; ▪ An insurance company established under the Insurance Ordinance,2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee’s fund established for benefit of employees; ▪ Any other fund established under any special enactment; and ▪ Any other entity as specified by the Commission.
<p>Issue</p>	<p>Issue of 25,000,000 Ordinary Shares representing 34.62% of Post IPO Paid-Up Capital having a Face Value of PKR 10.00/- each.</p> <p>Book Building Portion of the Issue comprises 18,750,000 Ordinary Shares (being 75% of the total Issue) at a Floor Price of PKR 23/- per share (including a premium of PKR 13.00/- per share).</p> <p>General Public Portion/Retail Portion of the Issue comprises 6,250,000 Ordinary Shares (being 25% of the total Issue) at the Issue Price.</p>
<p>Issuer</p>	<p>Hira Terry Mills Limited (the “Company” or “HTML”).</p>
<p>Issue Price</p>	<p>The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.</p>
<p>Key Employees</p>	<p>Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of Hira Terry Mills Limited.</p>
<p>Limit Bid</p>	<p>The Bid at a Limit Price.</p>
<p>Limit Price</p>	<p>The maximum price a prospective Bidder is willing to pay for a share under Book Building.</p>

Listing Committee	Listing Committee, shall mean a committee comprising of at least seven members including at least three external members for review and approval of the Prospectus and the listing application.
Margin Money	The partial or total amount, as the case may be, paid by a Bidder at the time of registering an Eligible Investor. The Book Runner shall collect full amount of the Bid money as Margin Money in respect of Bids placed by an individual investor and not less than twenty five percent (25%) of the Bid money as Margin Money in respect of Bids placed by an Institutional Investors.
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000).
Ordinary Shares	Ordinary Shares of Hira Terry Mills Limited having face value of PKR 10.00/- each.
Prospectus	Prospectus means any document described or issued as a Prospectus and includes any document, notice, circular, material, advertisement, Prospectus, 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.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process. The registration period shall commence three days before the start of the Bidding Period from DD-MM-2017 to DD-MM-2017 from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
Regulations/ PO Regulations	The Public Offering Regulations, 2017.
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to Paragraph 2.2.26 for further details.
Securities Regulation	Chapter 5 of Pakistan Stock Exchange Rule Book, titled 'Listing of Companies and Securities Regulation'.
Sponsor	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.
Step Bid(s)	Step Bid means a series of Limit Bids at increasing prices. In case of a Step Bid the amount of each Step will not be less than Rupees One Million (PKR 1,000,000).
Strike Price	The price per Ordinary Share of the Issuer determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations, 2017 at which the shares are Issued to the successful Bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on

Supplement to the Prospectus

the websites of the Securities Exchange, Consultant to the Issue, Book Runner and the Company.

The Supplement to the Prospectus is an updated condensed form of the full prospectus for inviting public subscription through the Retail Portion which shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

System

An online electronic system operated by the Designated Institution for conducting Book Building. In this IPO, the System is being provided by PSX.

Transaction Legal Counsel

Raja Mohammad Akram & Co.

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 AND LISTING ON THE STOCK EXCHANGE**1.1 APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 (the "Securities Act") read with Section 88(1) thereof has been obtained by Hira Terry Mills Limited (the "Company" or "HTML") for the issue, circulation and publication of this offering document (hereinafter referred to as the "Prospectus") vide their letter No. _____

DISCLAIMER

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, THE SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY SCHEME 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 BIDDING / SUBSCRIBING.

1.2 APPROVAL OF THE PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. _____ in accordance with the requirements of the Regulations and its regulations for Listing of Companies and Securities.

DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS CLEARANCES 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 PSX.

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

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

PSX 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.

PSX 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 LISTING AT PSX

Application has been made to the 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 twenty-one days, be notified to the applicants for permission by the securities exchange, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company 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 per cent (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 in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, 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; 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.

1.4 CERTIFICATE BY ISSUER**02-May-2017****The Chief Executive**

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

We hereby confirm that all the material information as required under the Securities Act, 2015, the Companies Act, 2017, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange has been disclosed in this prospectus and that whatever is stated in this prospectus and the supporting documents is true and correct to the best of our knowledge and belief.

We hereby accept absolute responsibility for the disclosures made in this prospectus and hereby certify that this prospectus contains all necessary information with regard to the Company and the Offer and constitutes full, true and plain disclosures of all material information and facts relating to the shares being offered through this prospectus.

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 the prospectus contains all necessary information with regard to the Company and 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 **Hira Terry Mills Limited,**

-Sd-

-Sd-

Umair Umar
Chief Executive Officer

Usman Khalid
Chief Financial Officer

2 VALUATION, BOOK BUILDING PROCEDURE AND SHARE CAPITAL

2.1 VALUATION

The shares of Hira Terry Mills Limited are being offered at Floor Price of PKR 23.00 per share which is at premium of PKR 13.00 per share to the face value of PKR 10.00 per share. The Consultant to the Issue has reviewed the business performance as per data provided by the Company and in their opinion the Floor Price of PKR 23.00 per share is justified based on:

2.1.1 TOPLINE GROWTH

The Company has posted a topline growth translating into a CAGR of 3.31% over the last 5 years outpacing the textile export sector growth which is 0.78%. This growth pattern has been achieved through continuous improvement in product development, portfolio and customer diversification, capacity enhancements catering to the surging demand of its clients and infusing the culture of adhering to the highest quality standards.



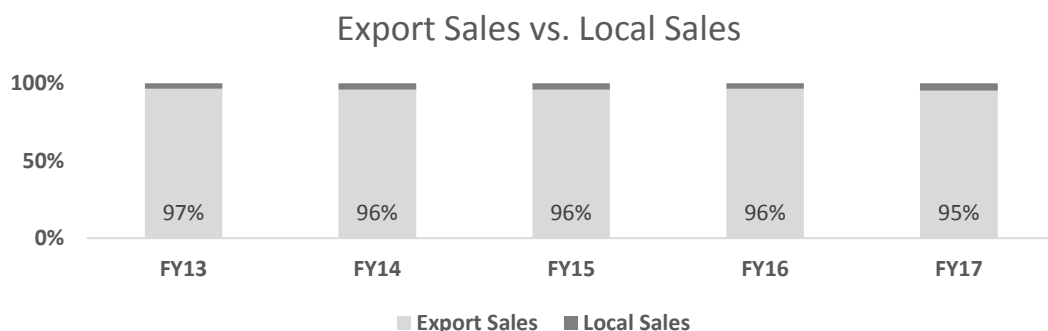
The table below illustrates the performance of HTML vis-a-vis the textile sector group and the towel group which have grown at 5 year CAGRs of 0.78% and 2.35% respectively vs. 3.31% of HTML.

PKR Billion	FY13	FY14	FY15	FY16	FY17	5 Year CAGR
HTML-Net Revenue	3.0	3.4	3.8	3.2	3.4	3.31%
TEXTILE GROUP-Exports	1,264.0	1,411.1	1,365.2	1,297.3	1,303.8	0.78%
TOWEL EXPORTS-Exports	75.1	78.9	79.1	86.7	82.4	2.35%

Source: Pakistan Bureau of Statistics

2.1.2 EXPORT ORIENTATION

Approximately 95% of the Company’s revenue is from exports to top retailers in USA, Europe, UK & Canada, serving to major global brands including Calvin Klein, Tommy Hilfiger, Next, Nautica, Target among others. This focus on exporting finest quality towels to the leading names in the textile industry has fueled the Company’s revenue growth over years.



2.1.3 NATURAL HEDGE AGAINST DEVALUATION

The export driven revenue structure provides the Company a natural hedge against the devaluation of Pakistani Rupee vis-a-vis USD. Historically, the Rupee has devalued 6% against USD per annum over the past 10 years.

With HTML significant exposure to export sales isolates the Company from risk associated with local currency devaluation as it allows it to absorb any adverse effects of PKR devaluation, gaining the advantage to increase the margins in cases where cotton yarn is procured locally. In case of imported cotton the margins are not adversely affected since the effect is naturally curbed by the revenue it will generate in foreign currency.

2.1.4 HIGH QUALITY PRODUCT RANGE

In recent years, Pakistan spinning industry has created a foothold in niche international market, especially in course counts which include medium and fine varieties counts, after closure of various spinning mills in China and other part of the world.

The Company's product includes all sizes and weights of conventional solid colored towel, yarn dyed dobby towel, yarn dyed jacquard towel, bath Robe, high end hospitality towel, solid jacquard towel manufactured using various qualities of yarn including Bamboo, Supima, Egyptian & Zero Twist in addition to standard constructions including sheared and all terry products.

HTML produces some of the best quality towels, as its primary focus is the export market. The Company has maintained highest standard on quality and has installed several value addition machines. The focus on value addition has led to improved margins and better customer satisfaction. The rise in demand from leading retailers in USA, Europe, Canada, and UK is a testimony to the quality of products being manufactured.

A strict quality control is in place whereby each product is individually checked for defects before packaging. After packing the products are passed through a metal scanning machine to prevent any metal pieces such as needles from entering the final shipment.

As part of the agreements with foreign retailers, each batch of product has to be traceable right from the source of raw material. The Company has a well maintained record system in order to comply with the requirements of clients. Clients also conduct quarterly audits of the recording system thus ensuring a well maintained system. HTML is currently in process of implementing an IT system that would further help monitor the production and improve efficiency in recording data. In order to ensure compliance with the highest possible standards the Company has achieved list of certifications:

- Certificate of Compliance (Global Organic Textile Standards).
- ISO 9001:2000 Certification (Quality Management System).
- ISO 14001 Certification (Environmental Management System).
- Certificate of Compliance (CERES).

2.1.5 STRONG OUTSOURCING CAPABILITIES

HTML has a long history and entrenched relationship in the industry with all the key vendors which allows for leveraging their capacities at time of excessive demand. The Company has developed over time network of dependable partner to whom work can be outsourced seamlessly with no compromises on quality. In order to sustain this model, the Company has a strong vigilance team to ensure the quality of the products at levels of outsourcing.

2.1.6 RESEARCH AND DEVELOPMENT

The Company takes pride in having a R&D facility that is recognized at both local and international level. The Company R&D department is equipped with state of the art equipment which allows adherence to the highest standard of quality. HTML philosophy has always circled around the belief that sustainable growth can only be achieved if supported by strong focus on R&D.

2.1.7 STRONG SPONSOR PROFILE

The Company benefits from a seasoned management team who, in a limited number of years have established significant brand name for themselves in the global market. With their experience and commitment, the management understands the dynamics of competing globally and catering to the various demands. The management reflects a culture of leadership and teamwork, while sponsors ensure the Company stays ahead of competition in terms of technology and capability.

2.1.8 FAVORABLE GOVERNMENT POLICIES

The textile sector of Pakistan plays a pivotal role in the country's economy – its significance stemming mainly from its very large cotton production capacity. Pakistan has emerged as one of the major cotton textile product suppliers in the world market, with a share of world yarn and cotton fabric trade of about 30% and 8% respectively and currently ranks as the 4th largest producer of cotton in the world¹ and has the third largest capacity in Asia. The importance of the textile sector as an integral part of Pakistan's economy contributing more than 8% in Gross Domestic Product (GDP) of Pakistan² and accounts for approximately 60% share in national exports of Pakistan.

In view of the importance of the sector to the economy the Government has announced several key measures in the National Textile Policy 2014-19³ which includes:

- draw-back of local taxes for exporters
- reduction in markup rate for Export Refinance Scheme
- expediting refunds of sales tax
- extension in tenor for duty free import of machinery

In addition the award of GSP Plus status which allowed almost 20% of Pakistani exports to enter the EU market at zero tariff and 70% at preferential rates⁴ is a key positive for the sector. The GSP status shows the confidence of international markets in Pakistan textile sector and excellent quality of Pakistani products.

2.1.9 TOWELS INDUSTRY OF PAKISTAN

Towel industry is dominantly export based and the existing towels manufacturing factories have been upgraded to produce higher value towels. At present more than 70% of total production is exported every year. Export of towels from Pakistan increased from USD 696 million in FY12 to USD 763 million in FY17, thus showing an average increase of more than 1% over the period.

¹ <http://www.cottoninc.com/corporate/Market-Data/MonthlyEconomicLetter/pdfs/English-pdf-charts-and-tables/World-Cotton-Production-Bales.pdf>

² <http://www.jervis.com.pk/docs/Textile201611.pdf>

³ Ministry of Textile

⁴ <https://www.dawn.com/news/1072051>

Pakistan exports considerable quantities of towel to USA, UK and European Union countries (Germany, Italy, Spain and Belgium) are major countries to import terrycloth from Pakistan.

2.1.10 JUSTIFICATION OF FLOOR PRICE

Based on the above, the Consultant to the Issue is of the opinion that the historical performance of the Company, the sponsor’s profile, quality of management and relationship with the clients indicate sustainability of business performance in the future.

With increasing focus on increasing efficiency and better of products to secure larger orders from the clientele like international hotel chains, top US retailers and renowned clothing brands, the Company is using the proceeds of the IPO to expand its facilities.

Company name	Shares outstanding	Prices at 1 Nov 2017	Market Cap (in Million)	EPS	BVPS	P/E	P/B
HIRA TERRY	47,208,000	23.00	1,086.00	4.64	34.45	4.96	0.67
Feroze 1888	376,800,968	65.15	24,549.00	6.61	34.52	9.86	1.89
Towellers	17,000,000	111.00	1,887.00	3.63	28.89	30.58	3.84
Zephyr Textile	59,428,729	13.49	802.00	1.16	23.50	11.63	0.57
Gul Ahmed Textile	297,079,604	34.00	10,101.00	2.50	33.40	13.60	1.02
Mean						16.42	1.83
Median						12.61	1.45

Based on latest available accounts

Based on Floor Price of PKR 23.00 per share of Hira Terry Mills Limited the price to earnings (P/E) multiple is 4.96x and price to book (P/B) multiple is 0.67x. Relative to industry mean P/E and P/B of 16.42x and 1.83x respectively, HTML shares are being issued at a discount of 3.31x and 2.74x respectively relative to the industry.

Company name	Shares outstanding	Prices at 1 Nov 2017	Market Cap (in Million)	EPS	BVPS*	P/E	P/B
HIRA TERRY	47,208,000	23.00	1,086.00	4.64	34.45	4.96	0.67
Feroze 1888	376,800,968	65.15	24,549.00	6.61	34.52	9.86	1.89
Towellers	17,000,000	111.00	1,887.00	3.63	28.89	30.58	3.84
Mean						20.22	2.86

Comparing Hira Terry Mills Limited performance with only listed towel manufactures, HTML shares are being offered at the discount of 4.08x and 4.29x relative to the industry mean P/E and P/B of 20.22x and 2.86x respectively.

2.2 BOOK BUILDING PROCEDURE

2.2.1 BRIEF ISSUE STRUCTURE

The Present Issue

The Issue comprises 25,000,000 Ordinary Shares of face value of PKR 10.00/- each which constitutes 34.62% of the Post IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 23.00 per share (including a premium of PKR 13.00 per share), whereby 75% of the total issue size i.e. 18,750,000 Ordinary shares will be issued through the Book Building process to eligible investors. The balance 25% of the total Issue size i.e. 6,250,000 Ordinary Shares will be issued to the General Public through retail offer at the Strike Price determined through the Book Building process. The bidders shall be allowed to place bids for seventy-five percent (75%) of the issue size and the Strike Price shall be the price at which the seventy-five percent (75%) of the issue is subscribed. The remaining twenty-five percent (25%) i.e. 6,250,000 shares will be offered to retail investors. In case the retail portion of the offer size is oversubscribed, the portion allocated to book building investors shall be allotted to retail investors in the manner given in section 2.2.21.

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 from the date of confirmation of shares subscribed in the general public portion.

Within three (03) working days from the close of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. Format of the Supplement to the Prospectus is given on page 3 of this Prospectus.

2.2.2 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 place. 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 is subscribed.

A Bid by a Bidder can be a “Limit Bid”, or a “Step Bid”, each of which are explained below:

Limit Bid: Limit Bid is at the Limit price, which is the maximum price an investor 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 2 million shares at PKR 25.00 per share than the total application money would amount to PKR 50 million. The Bid Amount will be PKR 50 million since the Bidder has placed a Limit price of PKR 25.00 per share, this indicates that he/she/it is willing to subscribe up to PKR 25.00 per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual Step shall also not to be less than PKR 1,000,000.

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 0.4 million shares at PKR 25.00 per share, 0.25 million shares at PKR 28.00 per share and 0.1 million shares at PKR 30.00 per share in essence the investor has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 20 million. In case of Individual Investor, the Margin Money will be 100% i.e. PKR 20 million whereas in case of Institutional Investor the Margin Money shall be 25% of the Bid amount i.e. PKR 5 million.

Restrictions:

- I. **AN ELIGIBLE INVESTOR SHALL NOT:**
 - a) **BID BELOW THE FLOOR PRICE;**
 - b) **MAKE A BID FOR MORE THAN 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 BID. A BID APPLICATION WHICH IS FULLY OR PARTIALLY BENEFICIALLY OWNED BY PERSONS OTHER THAN THE ONES NAMED THEREIN IS TO BE CONSIDERED AS A CONSOLIDATED BID;**
 - e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY, HOWEVER, A BID CAN BE REVISED UPWARDS TILL 5.00 PM ON THE LAST DAY OF THE BIDDING PERIOD;**
 - f) **REVISE BID DOWNWARD; 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. **ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS FOR SHARES IN EXCESS OF FIVE PERCENT (5%) OF THE BOOK BUILDING PORTION.**
- V. **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 FOR SHARES IN EXCESS OF TWO (2) PERCENT OF THE BOOK BUILDING PORTION.**

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND BOOK RUNNER ARE PROVIDED IN SECTION 2.2.26.

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. 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 Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares only after the end of the public subscription, in the form of book-entry to be credited 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 are encouraged to 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 Bank Accounts.

2.2.3 MECHANISM FOR DETERMINATION OF STRIKE PRICE

- a) **At the close of the bidding period, the strike price shall be determined on the basis of “Dutch Auction Method” by the system. 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 are subscribed.**
- b) The order book shall display the bids 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.
- c) In case all bids made above the Strike Price are accommodated and shares are still available for allotment,
- d) Such available shares will be allotted against the bids at the Strike Price strictly on time priority basis.

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

- **Quantity of shares being offered through Book Building: 18.75 million Ordinary Shares**
- **Floor price for shares: PKR 23.00 per share**
- **Bidding Period: _____ – _____**
- **Bidding Time: 9:00 am to 5:00 pm**
- **Bid Revision Time: 9:00 am to 5:00 pm on all days* (UPWARD REVISION ONLY)**

Bidder	Price (PKR /Share)	Quantity (Shares in Million)	Cumulative Number of Shares (Shares in million)	Category of Order
Institution A	32.00	1.20	1.20	Limit Price
Institution B	31.75	0.90	2.10	Limit Price
HNWI A	31.50	1.35	3.45	Step Bid
Institution G	31.25	0.45	3.90	Step Bid
Institution H	31.00	1.20	5.10	Step Bid
HNWI G	30.75	1.30	6.40	Step Bid
HNWI H	30.50	1.25	7.65	Step Bid
HNWI A	30.25	0.50	8.15	Step Bid
Institution D	30.00	1.87	10.02	Limit Price
Institution E	29.75	1.63	11.65	Limit Price
HNWI C	29.50	1.80	13.45	Limit Price
Institution C	29.25	1.50	14.95	Limit Price
Institution F	29.00	0.30	15.25	Step Bid
HNWI B	28.75	1.35	16.60	Step Bid
Institution F	28.50	0.65	17.25	Step Bid
Institution C	28.25	0.20	17.45	Limit Price
HNWI D	28.00	0.50	17.95	Step Bid
HNWI E	27.75	0.65	18.60	Limit Price
Institution F	27.50	0.15	18.75	Step Bid
HNWI D	27.25	1.20	19.95	Step Bid
HNWI F	27.00	1.80	21.75	Limit Price

Strike Price determined

Bid has been revised and placed at PKR 29.25/share

Total Shares Subscribed

On the basis of the figures provided in the above illustration according to the “Dutch Auction Method, the Strike price should be set at 27.50 per share to sell the required quantity of 18,750,000 shares.

At PKR 32.00 per share, investors are willing to buy 1.10 million shares. Since 17.65 million shares are still available, therefore the price will be set lower.

At PKR 31.75 per share, investors are willing to buy 0.65 million shares. Since 17.00 million shares are still available, therefore the price will be set lower.

At PKR 31.50 per share, investors are willing to buy 0.50 million shares. Since 16.50 million shares are still available, therefore the price will be set lower.

At PKR 31.25 per share, investors are willing to buy 1.00 million shares. Since 15.50 million shares are still available, therefore the price will be set lower.

At PKR 31.00 per share, investors are willing to buy 1.25 million shares. Since 14.25 million shares are still available, therefore the price will be set lower.

At PKR 30.75 per share, investors are willing to buy 1.35 million shares. Since 12.90 million shares are still available, therefore the price will be set lower.

At PKR 30.50 per share, investors are willing to buy 1.20 million shares. Since 11.70 million shares are still available, therefore the price will be set lower.

At PKR 30.25 per share, investors are willing to buy 1.25 million shares. Since 10.45 million shares are still available, therefore the price will be set lower.

At PKR 30.00 per share, investors are willing to buy 1.25 million shares. Since 9.20 million shares are still available, therefore the price will be set lower.

At PKR 29.75 per share, investors are willing to buy 1.45 million shares. Since 7.75 million shares are still available, therefore the price will be set lower.

At PKR 29.50 per share, investors are willing to buy 1.15 million shares. Since 6.60 million shares are still available, therefore the price will be set lower.

At PKR 29.25 per share, investors are willing to buy 0.65 million shares. Since 5.95 million shares are still available, therefore the price will be set lower.

At PKR 29.00 per share, investors are willing to buy 0.65 million shares. Since 5.30 million shares are still available, therefore the price will be set lower.

At PKR 28.75 per share, investors are willing to buy 1.25 million shares. Since 4.05 million shares are still available, therefore the price will be set lower.

At PKR 28.50 per share, investors are willing to buy 0.40 million shares. Since 3.65 million shares are still available, therefore the price will be set lower.

At PKR 28.25 per share, investors are willing to buy 0.85 million shares. Since 2.80 million shares are still available, therefore the price will be set lower.

At PKR 28.00 per share, investors are willing to buy 0.95 million shares. Since 1.85 million shares are still available, therefore the price will be set lower.

At PKR 27.75 per share, investors are willing to buy 1.15 million shares. Since 0.70 million shares are still available, therefore the price will be set lower.

At PKR 27.50 per share, investors are willing to buy 0.70 million shares. Since after bidding for 0.70 million shares at PKR 27.50 per share, no shares will be available therefore the Strike Price will be set at PKR 27.50 per share for the entire lot of 18.75 million shares.

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 27.50/- per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded/ adjusted with the balance payable Margin Money.

Investors who have bid below PKR 27.50/- per share do not qualify for allotment and their money would be refunded.

2.2.4 TIMEFRAME FOR INTIMATION TO THE SUCCESSFUL BIDDERS & 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 Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

2.2.5 CONSULTANT TO THE ISSUE

AKD Securities Limited (“AKDS”) has been appointed by the Issuer as Consultant to this Issue.

2.2.6 BOOK RUNNER

Arif Habib Limited (“AHL”) has been appointed by the Company as the Book Runners to this Issue.

ROLE AND RESPONSIBILITIES OF THE BOOK RUNNER

The Book Runner to the Issue shall:

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, where required, 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 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 in descending order and determination of the strike price;
6. Ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. Underwrite the book building portion;
8. Ensure that it has obtained list and Unique Identification Numbers (“UINs”) of the associates of the Issuer and the Consultant to the Issue;
9. Ensure that names and UINs of all the persons are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
10. Ensure that no bid or bids exceeding five per cent (5%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
11. Ensure that it has blocked all UINs and names of all related employees for participation in the bidding;
12. Enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
13. At least establish bid collection centers 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 Book Building System within the prescribed time.

Bid Collection Centers

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

Bid Collection Centers	
Karachi Office	
Contact Person:	Yasir Abbas
Direct:	+92 21 32465891
PABX:	021 111 245 111
Fax:	021 3242 9653
Email:	yasir.abbas@arifhabibltd.com
Address:	Arif Habib Center, 23 MT Khan Road, Karachi
Contact Person:	Abdul Qadir
Direct:	+92 21 32433542
PABX:	021 111 245 111
Fax:	021 3242 9653
Email:	abdul.qadir@arifhabibltd.com
Address:	Arif Habib Center, 23 MT Khan Road, Karachi
Lahore Office	
Contact Person:	
Direct:	
PABX:	
Mobile:	
Fax:	
Email:	
Address:	
Islamabad Office	
Contact Person:	
Direct:	
PABX:	
Mobile:	
Fax:	
Email:	
Address:	
Quetta Office	
Contact Person:	
Direct:	
PABX:	
Mobile:	
Fax:	
Email:	
Address:	
Peshawar Office	
Contact Person:	
Direct:	
PABX:	
Mobile:	
Fax:	
Email:	
Address:	
Gilgit/Baltistan Office	
Contact Person:	
Direct:	
Mobile:	
Email:	
Address:	
Azad Kashmir Office	
Contact Person:	
Direct:	
Mobile:	
Email:	
Address:	

2.2.7 INTEREST OF THE CONSULTANT TO THE ISSUE & BOOK RUNNER IN THIS ISSUE

The Consultant to the Issue and the Book Runner are deemed to be interested to the extent of the fee payable to them by the Issuer for the services of Consultant and Book Runner to the Issue. The Consultant to the Issue and Book Runner has no other interest in any property or profits of the Company.

2.2.8 ROLES AND RESPONSIBILITIES OF THE DESIGNATED INSTITUTION

PSX will act as the Designated Institution for this Issue. The PSX in case of book building system shall perform following functions:

1. Record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Subaccount Number of the Bidder with participant 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. Not accept the Bids placed at a Bid Price that is below the Floor Price;
7. Display live the total number of shares offered for sale, the Floor Price, total number of Bids received, total number of shares Bid for and 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 through cell phones and emails upon entry of the Bid, at the time of upward revision of the Bid, and upon discovery of the strike price; and
11. Ensure that system must provide the Bidders the option to upward revise their Bids online or through the Book Runner during the period permitted.

PSX shall ensure that:

- Identity of the Bidder is not displayed; and
- No Bid is entered into the System after closing of the Bidding Period.

2.2.9 ROLES AND RESPONSIBILITIES OF THE ISSUER

An issuer shall make a public offer of securities, subject to the following condition:

1. The Issuer, its sponsors, promoters, substantial shareholders, directors and associates do not have 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 have not been holding the office of the directors, or have not been sponsors or substantial shareholders in any Company,
 - a. Which had been declared defaulter by the securities exchange or futures exchange; or
 - b. Whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - c. Which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Issuer shall appoint Consultant to the Issue, Book Runner, Underwriter, Balloter and Share Registrar and Banker to an Issue, where required, through separate agreements in writing.

2.2.10 OPENING AND CLOSING OF REGISTRATION PERIOD

The registration period shall be for Five (5) working days i.e. DD-MM-YY to DD-MM-YY from 09:00 AM to 05:00 PM and from 09:00 AM to 03:00 PM on DD-MM-YY.

Registration Period	
Day-DD-MM--17	09:00 AM to 05:00 PM
Day-DD-MM--17	09:00 AM to 05:00 PM
Day-DD-MM--17	09:00 AM to 05:00 PM
Day-DD-MM--17	09:00 AM to 05:00 PM
Day-DD-MM--17	09:00 AM to 03:00 PM

2.2.11 OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding period will be open for Two (2) working days. The Bidding will commence at 09:00 AM and shall close at 05:00 PM. on both days inclusive.

BIDDING PROCESS STARTS ON	DD-MM-YYYY
BIDDING PROCESS ENDS ON	DD-MM-YYYY

2.2.12 ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their Bids in the Book Building process includes local and foreign Individual and Institutional Investors who's Bid Amount is not less than PKR 1,000,000 (Rupees One Million only).

2.2.13 INFORMATION FOR BIDDERS ON AVAILABILITY OF PROSPECTUS AND FORMS

- I. The Prospectus for issue of shares has been duly approved by PSX and approved by SECP.

- II. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of Hira Terry Mills Limited, Consultant & Book Runner, and the Designation Bidding Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites: www.akdsecurities.net, www.arifhabiblttd.com and www.hiramills.com.pk.
- III. Eligible investors who are interested in subscribing for the Ordinary Shares should approach BR at the addresses provided in Paragraph 2.2.6 for registration for submitting their Bids.
- IV. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN PARAGRAPH 2.2.6 FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER PARAGRAPH 2.2.14.
- V. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN PARAGRAPH 2.2.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
- VI. REGISTERED INVESTORS CAN PLACE OR 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.
- VII. 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.
- VIII. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF DUBAI ISLAMIC BANK PAKISTAN LIMITED CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY DUBAI ISLAMIC BANK PAKISTAN LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT DUBAI ISLAMIC BANK PAKISTAN LIMITED.

2.2.14 REGISTRATION FORM AND PROCEDURE FOR REGISTRATION

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted through the Bid Collection Centers in person on addresses given in Paragraph 2.2.6 on the standard Registration Form duly filled in. 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 the 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 the 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-17 to DD-MM-17 from 09:00 AM to 05:00 PM and from 09:00 AM to 03:00 PM on DD-MM-17.

- The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with first copy for the Book Runner, and the second copy for the Bidder.
- The Registration Form shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in Paragraph 2.2.6 on the standard Registration Form duly filled in and signed in duplicate.
- Upon registration of the Bidders, PSX shall assign and communicate 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. 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 **"IPO of Hira Terry Mills Limited – Book Building Account"**. For online transfer the payment shall be made **into A/C _____ being maintained in Dubai Islamic Bank Pakistan Limited - Main Corporate Branch, Lahore with the Account Title "IPO of Hira Terry Mills Limited – Book Building Account"**. **Please note that online transfer facility shall only be allowed to Dubai Islamic Bank Pakistan 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 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 the User ID and Password to directly place or 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.

2.2.15 PROCEDURE FOR BIDDING

- Standardized Bidding Form has been prescribed by the Issuer.
- Registered Investors can submit their Bids in person or through representatives at the Bid Collection Centers during the Bidding dates or can place their Bids online at <https://bkb.psx.com.pk> using the User ID and Password received by them over email upon registration with the Book Runner.
- The Bidding procedure under the Book Building process is outlined below:
 - i. 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 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
 - ii. 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 paragraph 2.2.6 for addresses and contact detail of persons at the Bid Collection Centers.
 - iii. 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.
 - iv. On receipt of bid application in accordance with PO Regulations, the Book Runner shall enter 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.
 - v. 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.
 - vi. 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.
 - vii. **The Bidders shall NOT make any downward revision or withdraw their bids as per Regulation 10(2)(vi) of the Regulations.**
 - viii. The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the individual investors and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
 - ix. 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.

- x. The Book Runner may on its own discretion accept a bid ⁵without Margin Money as per Regulation 5(9) (iii) of the Regulations, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- xi. 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.
- xii. 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 bids revised upward. The Order Book shall be accessible through websites of PSX.
- xiii. At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- xiv. Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- xv. The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price and the differential shall be refunded/adjusted with amount payable against margin Money.
- xvi. 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 strictly on time priority basis as per clause 7(xix) (b) of the First Schedule of the PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in paragraph 2.2.21 of the Prospectus.
- xvii. 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, where required, their Bid Money within one (1) working day of the close of the bidding period; and in case of refund, the refunds to such bidders shall be made within three (03) working days from the close of the bidding period.
- xviii. 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 institutional bidders shall, within three (3) days of the closing of the bidding period, deposit the balance amount as consideration against allotment of shares. **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.**
- xix. 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.

⁵ Only for institutional investors

- xx. 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 CDC account numbers in the Registration Form.
- xxi. 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.
- xxii. 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.

2.2.16 PAYMENT INTO THE BOOK BUILDING ACCOUNT

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

The Bidders shall draw a demand draft, pay order favoring **"IPO of Hira Terry Mills Limited – Book Building Account"** or online transfer of the bid money into the Book Building account no. [REDACTED] maintained at Dubai Islamic Bank Pakistan Limited 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 the Account [REDACTED] being maintained at Dubai Islamic Bank Pakistan Limited with the Account Title **"IPO of Hira Terry Mills Limited – Book Building Account"**. Please note that online transfer facility shall only be allowed for Dubai Islamic Bank Pakistan Limited customers.

CASH MUST NOT BE SUBMITTED WITH REGISTRATION FORMS/BIDDING FORMS 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 ORDERS, DEMAND DRAFT OR ONLINE TRANSFER DRAWN/TRANSFER IN FAVOR OF **"IPO of HIRA TERRY MILLS LIMITED" - BOOK BUILDING ACCOUNT** IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. Please note that third party payment instruments will not be accepted.

The Collection Bank shall keep and maintain the bid money in the said account. Once the shares allocated under the Retail Portion have been credited, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the collection banks for transfer of the money of successful and accepted applications to the Issuer's account.

Payment Procedure:

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

- **PAYMENT FOR LIMIT BID**

If investors are placing their Bids through "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 2 million shares at a price of PKR 25.00 per share, then the total Application Money would amount to PKR 50 million. In such a case, (i) Individual Investor shall deposit PKR 50 million in the Book Building account as the

Bid amount which is 100% of PKR 50 million; and (ii) Institutional Investor shall deposit at least PKR 12.5 million in the Book Building account as the Margin Money which is 25% of PKR 50 million.

- **PAYMENT FOR STEP BID**

If an investor is placing a Step Bid which is a series of Limit Bid 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.

For instance, if the investor Bids for 0.4 million shares at PKR 25.00 per share, 0.25 million shares at PKR 28.00 per share and 0.1 million shares at PKR 30.00 per share, then in essence the investor has placed one Step Bid comprising three Limit Bids at increasing prices. The Application Money would amount to PKR 20 million, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, (i) Individual Investors shall deposit PKR 20 million in the Book Building Account as Bid amount which is 100% of PKR 20 million and (ii) Institutional Investors shall deposit at least PKR 5 million in the Book Building Account as Margin Money which is 25% of PKR 20 million.

2.2.17 PAYMENT BY FOREIGN INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (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 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 paragraph 2.2.16 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 available on cover page and paragraph 7.3 of this Prospectus.

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.

2.2.18 PROCEDURE FOR REJECTION OF BIDS

In terms of Regulation 9(7) of Public Offer Regulations, 2017, 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.

2.2.19 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 WITHDRAWAL OF BID OR DOWNWARD REVISION SHALL BE ALLOWED.**

2.2.20 WITHDRAWAL OF ISSUE BY THE ISSUER

- In accordance with Regulation 8(16) of the 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, PSX and the Designated Institution 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.
- In accordance with Regulation 8(17) of the Regulation, the Book Building process will be considered as cancelled if the total number of Bids received is less than forty (40).

2.2.21 BASIS OF ALLOTMENT OF SHARES

Bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which seventy five percent (75%) 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 become entitled for allotment of shares.

In order to be 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 issued shares at the Strike Price. The differential between the bid price and strike price would be refunded based on total number of shares bid for. The bidders, who have placed bids below the Strike Price, shall not qualify for allotment of shares and their Margin Money shall be refunded.

In case the Bids received are sufficient to allot the total number of shares offered for sale through Book Building Portion, the allotment shall be made on the basis of highest bid

priority that is the bid made at the highest price shall be considered first for allotment of shares.

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 strictly on time priority basis.

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 and dispatch of shares out of the retail portion of the issue to successful applicants as per regulation 8(18)(i) of the Regulations.

As per the Regulation 7(3) of the Regulations, in case Retail Portion of the offer size is oversubscribed, the portion allocated to Book Building investors at strike price shall be allotted to the Retail Investors in the manner given below:

Sr. No	Times Retail Portion Oversubscribed	Percentage (%) of the Offer size to be allotted to Retail Investors out of the Book Building Portion on proportionate basis
1.	10 to 20 Times (x)	10%
2.	21 to 30 Times (x)	15%
3.	31 Times (x) or more	30%

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 accounts. All the Bidders shall, therefore, provide number of their respective CDS accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

2.2.22 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 in case of refund, the refunds to such bidders shall be made within three (3) working days from the close of the bidding period.

2.2.23 PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with the Regulation 11(1), 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 3 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.

2.2.24 TEN PERCENT (10%) PRICE BAND MECHANISM

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 i.e. Bid Price must not be below the 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 Indicative Strike Price.

For Example, if the floor price is PKR 23.00 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 23.00 per share, registered bidders may place or revise their bids from PKR 23.00 per share to PKR 25.30 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 23.00 per share to PKR 25.00 per share, the registered bidders may place or upward revise their bids from PKR 25.30 per share to PKR 27.53 per share.

Please note that the 10% range on the lower side cannot go below the floor price. 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.

2.2.25 RESTRICTION OF DOWNWARD REVISION OR WITHDRAWAL OF BIDS BY THE BIDDER

The Bidders shall not make downward revision or withdraw their Bids as per Regulation (10)(2)(vi) of the Regulations.

2.2.26 ASSOCIATED UNDERTAKINGS, COMPANIES & EMPLOYEES

2.2.26.1 ASSOCIATED COMPANIES

As of 30 June 2017 **Hira Textile Mills Limited (Listed Company of PSX)** is an associated undertaking of the Hira Terry Mills Limited. Hira Textile Mills Limited owns 46.90% shares of Hira Terry Mills Limited.

Related Party	Nature of Relationship
Hira Textile Mills Limited	Associated Undertakings

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 for shares in excess of 5% of the Book Building Portion.

2.2.26.2 RELATED EMPLOYEES/PERSON OF HIRA TEXTILE MILLS LIMITED

Sr. No	Name	Designation
1	Mrs. Shahnaz Umar	Chairperson (Non-Executive Director)
2	Mr. Nadeem Aslam Butt	CEO-Executive Director
3	Mr. Muhammad Umar Virk	Executive Director
5	Mrs. Fatima Nadeem	Non-Executive Director
6	Mrs. Sadiya Umair	Non-Executive Director
7	Mr. Shaukat Nazir Malik	Independent Director
8	Mr. Usman Khalid	Non-Executive Director
9	Mr. Saeed Ahmed Khan	Company Secretary & Chief Financial Officer
10	Mr. Rameez Ahmed	Head of Internal Audit
11	Mr. Naveed Amjad	Manager MIS

12	Lt. Col(Retired) Mr. Nadeem Ishtiaq	General Manager Administration
13	Mr. Muhammad Khan	Procurement Manager

2.2.26.3 RELATED EMPLOYEES/PERSON OF HIRA TERRY MILLS LIMITED

Sr. No	Name	Designation
1	Mr. Muhammad Umar Virk	Chairman (Non-Executive Director)
2	Mr. Umair Umar	CEO-Executive Director
3	Mr. Aamir Attaullah Khan	Non-Executive Director
4	Mr. Nadeem Aslam Butt	Non-Executive Director
5	Mr. Attaullah Khan	Executive Director
6	Mrs. Umaira Umer	Non-Executive Director
7	Mr. Omar Attaullah Khan	Non-Executive Director
8	Mrs. Rehana Attaullah Khan	Non-Executive Director
9	Mr. Usman Khalid	Chief Financial Officer
10	Mr. Saeed Ahmed Khan	Company Secretary
11	Mr. Rizwan Shahid	Head of Internal Audit
12	Mr. Imran Ahmed	Technical Director
13	Mr. Naveed Amjad	Manager MIS
14	Lt. Col(Retired) Mr. Nadeem Ishtiaq	General Manager Administration
15	Mr. Nauman Anwar	Procurement Manager

2.2.26.4 RELATED EMPLOYEES OF THE CONSULTANT (AKD SECURITIES LIMITED)

Sr. No	Name	Designation
1	Mr. Muhammad Farid Alam	Chief Executive Officer
2	Mr. Imran Qureshi	Director, Investment Banking
3	Ms. Ambreen Haider	Vice President, Investment Banking
4	Mr. Abadan Mohajir	Senior Associate, Investment Banking
5	Mr. Faiz Mehmood	Associate, Investment Banking
6	Ms. Afsheen Aqeel	Analyst, Investment Banking
7	Mr. Muhammad Shumail	Analyst, Investment Banking
8	Mr. Waleed Zafar	Analyst, Investment Banking
9	Ms. Zainab Abid	Analyst, Investment Banking

2.2.26.5 RELATED EMPLOYEES OF THE BOOK RUNNER (ARIF HABIB LIMITED)

Sr. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Syed Kashif ul Hassan Shah	MD, Investment Banking
3	Mr. Ahmed Rajani	Vice President, Investment Banking
4	Mr. Syed Saquib Ali	Vice President, Investment Banking
5	Mr. Dabeer Hasan	Sr. Associate, Investment Banking
6	Mr. Nayhan Ahmed Mohajir	Sr. Associate, Investment Banking
7	Mr. Syed Ali Ahmed	Sr. Associate, Investment Banking
8	Mr. Ammad Tahir	Sr. Associate, Investment Banking
9	Mr. Abdul Qadir	Associate, Investment Banking

10	Mr. Yasir Abbas	Senior Analyst, Investment Banking
11	Mr. Omair Talib Marghoob	Analyst, Investment Banking
12	Mr. Tanveer Ahmed	Analyst, Investment Banking
13	Ms. Umme Sahar Ahmed	Management Trainee Officer
14	Mr. Saeed Ahmed	Officer, Investment Banking

Note:

- As required under Regulation 7(9), the associates of the Consultant to the Issue and the Book Runner shall not in aggregate make Bids for shares in excess of two (2) per cent of the Book Building Portion.
- As required under Regulation 20(10) of the Regulations, Related Employees of the Issuer and the Book Runner shall not participate in the Bidding for shares.

2.2.26.6 STATEMENT BY THE CONSULTANT TO THE ISSUE**02-May-2017**

The Chief Executive,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Being mandated as Consultant to the Issue to this Initial Public Offering of Hira Terry Mills Limited through the Book Building process, we 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 this Prospectus on the basis of audited financial statements as at 30 June 2017 and the supporting documents that have been received from the Issuer and that nothing has been concealed to the best of our knowledge and belief.

For and on behalf of AKD Securities Limited

-Sd-

Ambreen Haider
Vice President - Investment Banking

2.2.26.7 STATEMENT BY THE BOOK RUNNER**02-May-2017**

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as Book Runner to this Initial Public Offering of Hira Terry Mills Limited through the Book Building process, we confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulation, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in this Prospectus on the basis of audited financial statements as at 30 June 2017 and the supporting documents that have been received from the issuer and that nothing has been concealed to the best of our knowledge and belief.

For and on behalf of Arif Habib Limited

-sd-

Ahmed Rajani

Vice President - Investment Banking

2.3 SHARE CAPITAL & RELATED MATTERS

2.3.1 SHARE CAPITAL

No. of Shares		Face Value (PKR)	Premium (PKR)	Total (PKR)
AUTHORIZED CAPITAL				
80,000,000	(Ordinary Shares of PKR 10.00 each)	800,000,000	-	800,000,000
ISSUED , SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY				
39,340,000	Issued for Cash: Ordinary Shares of PKR 10.00 each	393,400,000	-	393,400,000
7,868,000	Issued for Bonus: Ordinary Shares of PKR 10.00 each	78,680,000	-	78,680,000
47,208,000	Total	472,080,000	-	472,080,000
No. of Shares		Face Value (PKR)	Premium (PKR)	Total (PKR)
THE EXISTING ISSUED , SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY IS HELD AS FOLLOWS:				
<u>Shares held by Sponsors/Corporate Share Holder</u>				
22,140,000	Hira Textile Mills Limited	221,400,000	-	221,400,000
22,140,000	Subtotal	221,400,000	-	221,400,000
<u>Shares held by Sponsors/Directors</u>				
9,444,000	Mr. Omar Attaullah Khan	94,440,000	-	94,440,000
7,404,660	Mr. Aamir Attaullah Khan	74,046,600	-	74,046,600
5,460,000	Mrs. Rehana Attaullah Khan	54,600,000	-	54,600,000
1,295,340	Mr. Attaullah Khan	12,953,400	-	12,953,400
603,000	Mr. Umair Umar	6,030,000	-	6,030,000
242,400	Mrs. Umaira Umer	2,424,000	-	2,424,000
15,000	Mr. Muhammad Umar Virk	150,000	-	150,000
3,000	Mr. Nadeem Aslam Butt	30,000	-	30,000
24,467,400	Subtotal	244,674,000	-	244,674,000
<u>Other Shareholders</u>				
360,000	Mrs. Shahnaz Umar	3,600,000	-	3,600,000
240,600	Mrs. Fatima Nadeem	2,406,000	-	2,406,000
600,600	Subtotal	6,006,000	-	6,006,000
647,208,000	Total	472,080,000	-	472,080,000

Present Issue:

No. of Shares	Particulars	Face Value (PKR)	Premium (PKR)	Total (PKR)
	Present Issue of 25 Million Ordinary Shares of PKR 10.00 each offered for subscription as under:			
18,750,000	Offered to Institutional/HNWI Investors (through Book Building Mechanism)	187,500,000	[X]	[X]
6,250,000	Offered to General Public	62,500,000	[X]	[X]
25,000,000	Total Present Issue	250,000,000	[X]	[X]
72,208,000	Grand Total (Post-IPO) Paid-up Capital	722,080,000	[X]	[X]

^{6 6} Aggregated as per Form (A) and Form (3)

Notes:

1. As per Regulation 5(1) of the Regulations, the sponsors of the Issuer shall retain their entire shareholding in the Company for a period of not less Twelve (12) months from the last date for public subscription.
2. As per Regulation 5(2) of the Regulations, the sponsors of the Issuer 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 Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository Company.
4. Subject to compliance with sub-regulation (1) and (2) of Regulation 5 of the PO regulations, 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 these Regulations.
5. As per regulation 5.4.1 (a) (ii) of the PSX's Regulations for Listing of Companies and Securities, the free-float shall be increased to 25% of the total issued number of shares within the next four years of listing. The free float could be increased through Offer for Sale by the existing shareholders, sale of shares through the secondary market or any other method as may be allowed by PSX with the approval from SECP.

2.3.2 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on DD-MM-YY and will close on DD-MM-YY 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-YY.**

2.3.3 PUBLIC SUBSCRIPTION THROUGH 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 Offer 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 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.

ii. e-IPO facilities by Bankers to the Issue:

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

The accountholders of BAFL can use BAFL net-banking to submit their applications online via link: <https://netbanking.bankalfalah.com>

The accountholders of SMBL can use SMBL net-banking to submit their applications online via link: <https://ib.summitbank.com.pk>

The accountholders of UBL can use UBL net-banking to submit their applications online via link: <http://www.ubldirect.com/corporate/ebank>

Investors who are registered with CES or account holders of BAFL, SMBL of 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-YY**.

2.3.4 BENEFITS OF e-IPO

e-IPO has the following benefits:

- I. It enables the investors to make application for subscription of shares through the internet without going to the bank, and waiting in long queues.
- II. It is efficient and simultaneously facilitative for both the Issuer and the investors.
- III. It is available for use 24 hours during the subscription period.
- IV. If you are registered with CES or accountholder of a bank providing e-IPO facility, you may get SMS for new IPOs.
- V. By applying through CES you can also track your application status.

2.3.5 INVESTOR ELIGIBILITY FOR PUBLIC ISSUE

Eligible investors include:

- I. Pakistani citizen resident in or outside Pakistan or persons holding two nationalities including Pakistani Nationality;
- II. Foreign nationals whether living in or outside Pakistan;
- III. 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);
- IV. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of their respective Trust Deeds and existing regulations); and
- V. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

2.3.6 FACILITIES AVAILABLE TO NON-RESIDENT PAKISTANI AND FOREIGN INVESTORS

Companies are permitted under paragraph 6 (with specific reference to sub para (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 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 paragraph 2.2.16 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 available on page 1 and paragraph 7.3 of this Prospectus.

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.

2.3.7 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OUT OF THE GENERAL PUBLIC PORTION OF THE ISSUE

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

- a. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares. Any cost incurred in issue of shares as part of the Issue shall be borne by Issuer.
- b. 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.
- c. Application for shares below the minimum amount shall not be entertained.
- d. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS ARE PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
- e. If the shares issued to the General Public are sufficient to accommodate all applications, all applications shall be accommodated.
- f. In case Retail Portion of the Issue, remains unsubscribed, the unsubscribed shares shall be taken-up by the Underwriters.
- g. In case Retail Portion of the Issue is oversubscribed, the portion allocated to Book Building investors at strike price shall be allotted to the Retail Investors in the form and manner provided in paragraph 2.2.21.
- h. If the shares applied for by the General Public are in excess of the shares being issued 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 applicant.
- i. If the issue is oversubscribed in terms of amount only, then the allotment of shares shall be made on the following basis:
- 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;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the shares in the above mentioned manner, the balance shares, if any, shall be allotted on a pro-rata basis to the applicants who applied for more than 2,000 shares.
- j. Allotment of shares will be subject to scrutiny of the applications for subscription.
- k. Applications which do not meet with the above requirements or application which are incomplete will be rejected.

2.3.8 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within 10 days of the close of public subscription period, the Shares shall be allotted and transferred 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, if refund as required under Sub-section (1) of Section 68 of the Companies Act is not made within the time specified therein, 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 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Issuer 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.

2.3.9 ISSUE AND CREDIT OF SHARE CERTIFICATES

Within ten (10) days of the close of public subscription period, the shares shall be allotted 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. Therefore, the applicants must provide their CDS account Number in the Applicant Form. The Company shall credit shares, within ten (10) days of the closing of public subscription, in the respective CDS accounts of the successful applicants.

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

The 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.

2.3.10 TRANSFER OF SHARES

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

2.3.11 SHARE ISSUED IN PRECEDING YEARS

The details of the shares issued by the Company in preceding years are as follows:

Sr. No	No. of Shares Issued	Par Value (PKR)	Consideration	Amount (PKR)	Date of Issue
1.	4	10	Cash	40	23 June 2005
2.	9,996	10	Cash	99,960	04 July 2005
4.	8,910,000	10	Cash	89,100,000	31 October 2005
5.	1,000,000	10	Cash	10,000,000	30 November 2005
6.	7,200,000	10	Cash	72,000,000	28 June 2006
3.	15,800,000	10	Cash	158,000,000	30 September 2006
7.	2,800,000	10	Cash	28,000,000	26 June 2007
8.	3,110,000	10	Cash	31,100,000	31 December 2007
9.	510,000	10	Cash	5,100,000	15 September 2008
10.	7,868,000	10	Bonus	78,680,000	08 April 2017
Total	747,208,000			472,080,000	

Other than the above mentioned shares, there has been no issuance of shares since the incorporation of the Company.

2.3.12 PRINCIPAL PURPOSE OF THE PUBLIC ISSUE

Hira Terry Mills Limited intends to issue 25,000,000 shares at a Floor Price of PKR 23.00 per share to raise PKR 575 Million through this Initial Public Offering (IPO) at the Floor Price. The purpose of this issue and the utilization of proceeds is given below:

- a. Capital Expenditure amounting to PKR 473,602,837 (i.e. approx. 82% of the total IPO proceeds) on expansion and modernization of Hira Terry Mills Limited production facilities in order to meet the overwhelming demand of terry towel products from our valued existing and new clients.
- b. To meet part of the increased working capital requirements of the Company PKR 101,397,163 (i.e. approx. 18% of the total IPO proceeds).

2.3.13 UTILIZATION OF PROCEEDS

The issue will generate PKR 575 Mn at the Floor Price. A financial summary of the utilization of the funds is given below:

Sources		Uses	
Particulars	Amount (PKR)	Particulars	Amount (PKR)
Proceeds from IPO	575,000,000	Stitching	37,273,860
		Power House	1,574,375
		Ancillary CAPEX	434,754,602
		Working Capital	101,397,163
	575,000,000		575,000,000

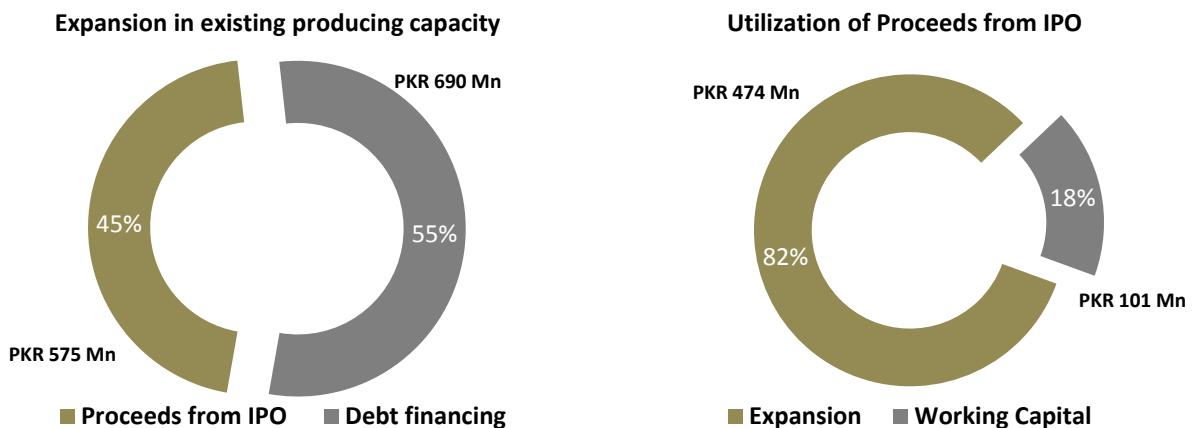
⁷ Aggregated as per Form (A) and Form (3)

2.3.14 TOTAL EXPANSION REQUIREMENTS

Sources		Uses	
Particulars	Amount (PKR)	Particulars	Amount (PKR)
Proceeds from Bank Loan	690,000,000	Weaving	127,009,557
Proceeds from IPO	575,000,000	Dyeing & Processing	254,408,281
		Stitching	143,929,024
		Power House	146,327,889
		Ancillary CAPEX	491,928,086
		Working Capital	101,397,163
	1,265,000,000		1,265,000,000

■ Capital Expenditure ■ Working Capital

For further details and break-up of the utilization of proceeds towards expansion of the Company’s manufacturing facilities, please refer to paragraph 4.10.



The breakup of funds utilization above is based on subscription at the Floor Price of PKR 23.00 per share. Any excess funds received above the Floor Price can be utilized as per the following priorities, considering the quantum of excess subscription amount:

- a) Payoff short-term and long-term borrowings of Hira Terry Mills Limited.
- b) Meeting the increasing requirements of working capital.
- c) Any activity related to the Company’s ongoing operations, as deemed necessary by the board of directors.

2.3.15 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, except to the extent of loans provided by the shareholders to the Company where the shareholders’ interest would also include mark-up on their loans.

2.3.16 DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, Board’s recommendation and shareholders’ approval.

The rights in respect of capital and dividends attached to each 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.

The Directors may from time to time declare interim dividends as appear to the directors to be justified by the profits of the Company. No dividends 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 dividend shall be paid within the period laid down in the Companies Act.

Those applicants who intend that their cash dividend, if any, is directly credited in their Bank Account, must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate Option".

The Company has issued no dividends over the past five years but has issued stock dividend (bonus shares) in the ratio of 2 shares per 10 shares for the year ended June 30, 2017 to existing shareholders/Sponsors.

Dividend History

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Cash Dividend	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	20%

Covenants/Restriction on Payment of Dividends:

Please note that there are no restrictions or covenants on Hira Terry Mills Limited by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

2.3.17 ELIGIBILITY FOR DIVIDEND

The 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.

2.3.18 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.

2.3.19 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 specified in Part 1 Division III 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.

The following are the rates:

1. For filer of income tax returns: 15.0%
2. For non-filer of income tax return: 20.0%

2.3.20 CAPITAL GAINS TAX

As per the latest finance bill passed by National Assembly, in case, disposal of securities which were purchased after June 30 2013 but before July 01, 2016, those disposal will attract same CGT rates as were in TY 2017, While for securities purchased after July 1 2016, CGT on disposal, irrespective of holding period, will be 15% for filer and 20% for non-filer. Capital gains derived from the sale of listed securities are taxable in the following manner under Section 37A of Income Tax Ordinance, 2001:

Sr.	Holding Period	Tax Year 2017		Tax Year 2018			
		Filer	Non-Filer	Securities acquired before 01-07-2016		Securities acquired after 01-07-2016	
				Filer	Non-Filer	Filer	Non-Filer
1.	Less than 12 months	15.00%	18.00%	15.00%	18.00%	15.00%	20.00%
2.	12 months or more but less than 24 months	12.50%	16.00%	12.50%	16.00%		
3.	24 months or more but security acquired on or after 1 July 2013	7.50%	11.00%	7.50%	11.00%		
4.	Security was acquired before 1 July 2013	0%	0%	0%	0%	0%	0%

2.3.21 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, tax at the rate of 5.00% of the value of “bonus shares” determined on the basis of the day end ex-price be collected by the Company issuing the “bonus shares”, which will be the final tax liability on such income of the shareholders.

2.3.22 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001. As per circular 20 of 1992 issued by tax authorities, the company having export sales more than 80% of the overall sales can opt for taxation under Final Tax Regime. The company’s management has considered the said option for filing the income tax return in the prior years.

2.3.23 DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

As per audited financial statements as at 30 June 2017, Hira Terry Mills Limited have 19.18 Mn in deferred tax assets.

2.3.24 SALES TAX

Hira Terry Mills Limited is availing taxation exemption under SRO 326 & 327 of 2008 where Hira Terry Mills Limited is exempted from paying Sales tax on the imported raw materials and local procurement. This benefit is also availed by other companies in towel export segment.

2.3.25 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 or Khyber Pakhtunkhwa 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 in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

2.3.26 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.

2.3.27 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.

2.3.28 TAX CREDIT FOR ENLISTMENT

On enlistment under Section 65C (amended through Finance Bill 2017) of the Income Tax Ordinance, 2001, tax credit shall be allowed to the company getting listed in the following manner:

1. For first two years (including the year of enlistment on Pakistan Stock Exchange) at the rate of 20 percent;
2. For following two years at the rate of 10 percent.

3 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

3.1 UNDERWRITING

Book Building Portion

Arif Habib Limited has been mandated as Book Runner to the Issue. The Book Runner will underwrite the Book Building Portion of the Issue which comprises of 18,750,000 Ordinary Shares which is equivalent to 75% of 25,000,000 Ordinary Shares as required under Regulation 7(6) with 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 of 6,250,000 Ordinary Shares will be fully underwritten as required under Rule 4(iii) read with section 3 (ii) and (iii) of the Companies (Issue of Capital) Rules, 1996, and within three (3) working days from the close of the Bidding Period, the names of the Underwriters will be published in the Supplement to the Prospectus in at least all those newspapers in which the Prospectus was earlier published and also disseminated through the securities exchange as required under section 11 of the PO Regulations, 2017.

3.2 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.

3.3 UNDERWRITING COMMISSION

BOOK BUILDING PORTION

Underwriting commission at the rate of –NIL– of the Book Building portion will be paid as underwriting commission. The amount of security deposited by the defaulting Bidder shall however, be forfeited to the Book Runner.

GENERAL PUBLIC PORTION

The Underwriters will be paid an underwriting commission at the rate of **1.25%** of the amount underwritten by them. In addition, a take-up commission at the rate of **2.00%** shall be paid to the underwriters on the value of the shares to be taken up by virtue of their respective underwriting commitments / obligations.

3.4 THE BUY BACK/ REPURCHASE AGREEMENT

THE UNDERWRITERS HAVE 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 UNDERWRITERS OR THEIR ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.

3.5 COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of 0.50% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Offerors to the Bankers to the Offer for services to be rendered by them in connection with the General Public offering, plus out-of-pocket expenses.

3.6 FEES AND EXPENSES FOR CENTRALIZED E- IPO SYSTEM (“CES”)

Commission on application received through CES will be paid to CDC which shall not be more than 0.80% of the amount of the successful applications. CDC will share, the fee with other participants of CES at a ratio agreed amongst them.

3.7 BROKERAGE

For this Offer, 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 of Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders of the Book Building portion pursuant to under-subscription of the retail portion of the Offer.

3.8 ESTIMATED EXPENSES OF THE ISSUE

The expenses of this Issue are estimated not to exceed PKR 34,685,535/- based on Floor price. Except for the initial listing fee, annual listing fee and SECP supervisory fee related expenses, all other expenses will be borne by the Offerors. The break-up of these preliminary expenses is given below:

Expenses to the Issue	Rate	Amount (PKR)
Consultant to the Issue Fee	1.75%	10,062,500
Book Runners Fee	1.25%	7,187,500
Commission - Bankers to the General Public	0.50%	718,750
e-IPO Facility Charges		800,000
Bankers to the Issue - Out of Pocket		300,000
TREC Holders Commission	1.00%	5,750,000
PSX Listing Fee & Charges:		
- Initial Listing Fee		722,080
- Annual Listing Fee		356,343
- Service Charges		50,000
PSX Software Charges for Book Building		500,000
Transfer Agent and Balloting Agent.		200,000
Marketing and Printing Expenses		6,000,000
CDC Fresh Issue Fee	0.16%	920,000
CDC Annual Listing Fee		330,000
SECP IPO Application & Processing Fee		680,520
SECP Supervisory fee		107,842
Legal Advisory		200,000
Miscellaneous Expenses		920,000
Total		34,685,535

4 OVERVIEW, HISTORY AND PROSPECTS

4.1 COMPANY HISTORY

Hira Terry Mills Limited (“the Company”), was incorporated in Pakistan on June 23, 2005 as a public limited Company under the Companies Act, 2017 (formerly the Companies Ordinance, 1984). The principal activity of the Company is manufacturing and sale of towels.

Hira Terry Mills Limited (HTML) is a manufacturer of premium quality terry products with its manufacturing plant setup in Lahore, Pakistan. The company has a substantial exports of premium quality towels to USA followed by UK, Canada, Europe and Australia. In order to facilitate clients, the Company has its marketing offices in USA and Canada that helps generate most of the orders. The plant was set up in late 2006-early 2007 comprising state of the art mainly European machinery.

The products include all sizes and weights of conventional Solid colored towel, Yarn dyed dobby towel, Yarn dyed jacquard towel, Bath Robe, High end Hospitality towel, Solid Jacquard towel manufactured using various qualities of yarn including Bamboo, Supima, Egyptian & Zero Twist in addition to standard constructions including sheared and all terry products.

HTML offers value added products that are of premium quality. Unlike other local producers that target bulk customers, HTML mainly targets high-end retailers that demand the best quality products. This feature allows the Company to enjoy high prices and consequently greater profit margins. The average price of HTML’s towel is USD 6.50/kg against a much lower Pakistan industry average of USD 4.61/kg.

HTML has set itself apart from other textile manufacturers in the local industry and is in a good position to capitalize on the growing international demand for good quality towels. The Company has developed a diverse customer base with towels exported to some of the big names in the Industry such as Calvin Klein , Tommy Hilfiger, Next, Nautica, Sainsbury, Marks & Spencer etc. across USA, Canada, UK and Europe etc.

HTML has a marketing arm with its offices in USA and Canada. The Company has a dedicated marketing team which plays a pivotal role in generating orders for the Company. Specialist designers have been hired for the creation of innovative and new designs based on current market trend allowing the marketing team to reach out to the target customers. Each design that the Company develops is protected by copyrights which gives the right to the Company to supply the same designs to several customers which is not a norm in the industry as customers cannot get the same designs developed by other manufacturers.

The marketing team is also distinctive in its functions as they carry out market research, competitor analysis, & marketing analysis allowing the customers to make prompt decision for selecting product with the right design. Presentation to the customers is usually given at the customer’s location or at HTML’s showroom in Manhattan, New York. The marketing team also creates customized designs upon customers’ requests thus adding value to the business.

The presence of foreign office improves customer interaction because the customers rarely communicate with the marketing team based in Pakistan. Most communication with customers is through the foreign offices but the local office is updated on all developments that arise.

The Company also maintains a warehouse in USA from where it can deliver goods to customers. The presence of the warehouse helps to reduce delivery time to within 15 days.

The Company operates state of the art equipment acquired from renowned European manufacturers that ensures high quality and efficiency. The Company has been expanding the plant each year to meet demand for its products. All equipment is maintained by in-house technicians that have received specialized training from the suppliers. Each loom is imported from either Europe or Japan and is linked to the supplier through an IT system thus enabling the supplier to resolve any problems that may arise. The plant is operational 24 hours a day throughout the year and production has never come to a complete halt in the history of the Company.

The plant is located about 18miles (29km) from Lahore on Raiwind Manga Road and its Corporate Office is situated at 44-E/1, Gulberg-III, Lahore. The Plant is accessible through all major highways around Lahore and is at a 45 minutes’ drive from Lahore International Airport. The Company also has offices in USA and Canada that assist in securing client orders. These foreign offices are a key success factor as they ensure regular client interaction and better marketing of the products.

HTML is ideally located close to suppliers and therefore enjoys a constant supply of raw materials. The main source of yarn is Hira Textile Mills that is located adjacent to the plant thus reducing transportation and warehouse costs. It also enables the Company to get custom made yarn based on the clients order.

4.1.1 KEY MILESTONES ACHIEVED

Year	Milestone
2005	Incorporated on June 23, 2005 as a Public Limited Company.
2005-06	Purchased land, started construction of building, & initiated Letter of Credits for Plant & Machinery.
2006-07	Production started on trial run bases on December 01, 2006 followed by commercial production on June 01, 2007
2007-08	Completed first year of production with a profit of PKR 45.42mn (EPS PKR 1.12)
2008-09	Additions made to plant and machinery resulting in an increase in profits to PKR 85.58mn
2009-10	Grid Station established and building expanded. Profits increased to PKR 100.69mn.
2010-11	Additional machinery is setup. Company reports a low profit of PKR 38.99mn
2011-12	Setting up of Coal fired power house begins. Profits record a major increase to PKR 110.06mn.
2012-13	Completion of 5 th year of production and initiation of major capacity enhancement plan. Profits recorded at PKR 120.09mn.
2013-14	Further additions to plant and machinery and set up of a 2,000 KVA diesel generator. Profits increase to PKR 154.13mn.
2014-15	Extension of dyeing unit. Profits increase to PKR 166.97mn.
2015-16	Profits increased to PKR 195mn.
2016-17	Profits increased to PKR 219mn. (EPS PKR 4.64)

4.2 PATTERN OF SHAREHOLDING

A summary of shareholding pattern according to different categories of shareholders is given below:

Description	Shares Held	%
Shares held by Sponsors/Corporate Shareholder		
Hira Textile Mills Limited	22,140,000	46.90%
Sub-Total	22,140,000	46.90%
Shares held by Sponsors/Directors		
Mr. Omar Attaullah Khan	9,444,000	20.01%
Mr. Aamir Attaullah Khan	7,404,660	15.69%
Mrs. Rehana Attaullah Khan	5,460,000	11.57%
Mr. Attaullah Khan	1,295,340	2.74%
Mr. Umair Umar	603,000	1.28%
Mrs. Umaira Umer	242,400	0.51%
Mr. Muhammad Umar Virk	15,000	0.03%
Mr. Nadeem Aslam Butt	3,000	0.01%
Sub-Total	24,467,400	51.83%
Other Shareholders		
Mrs. Shahnaz Umar	360,000	0.76%
Mrs. Fatima Nadeem	240,600	0.51%
Sub-Total	600,600	1.27%
Grand Total	47,208,000	100%

4.3 REVENUE AND COST DRIVERS

4.3.1 REVENUE DRIVERS

GDP Growth

Pakistan’s GDP growth clocked in at 5.28% in 2016-17 which is the highest in the last ten years. The Centre for International Development (CID) at the Harvard University has predicted a 6% annual growth rate for the next ten years while IMF and World Bank have similar estimates which will make Pakistan the 2nd fastest economy in South Asia in terms of growth %. The growth thematic is largely driven by China Pakistan Economy Corridor (which is the single largest foreign investment ever in Pakistan). Other macro-economic factors include:

- Political stability
- Better law and order situation
- Improvement in the power supply demand dynamics

Favorable Policy

Textile sector has always received utmost importance based on its historical export oriented positioning. The pro textile policies have continued by the incumbent government with recently announced export package worth of PkR180bn in January 2017, where rebate rates (in the range of 4-7% on FOB value), and exemption from duty/GST on cotton /man-made fiber import were offered. The announced package is expected to revitalize the export sector in large where garments and made-ups are expected to benefit more due to higher rebate

rates. It is important to reiterate that the government had already announced a textile policy in 2014 with a five year vision.

Earlier the European Union (EU) granted Generalized System of Preferences (GSP) plus status to Pakistan effective 1st January 2014 that gave Pakistan textile sector the requisite leap to make a strong footprint on international front.

Premium Product Portfolio of HTML

The Company has a portfolio of premium products that caters to renowned first-class brands like Calvin Klein, Tommy Hilfiger, Nautica, Next and others which offer products to niche markets. This offers HTML an edge in terms of pricing and offtake.

Hedge against devaluation

The Company benefits from a natural hedge against any currency depreciation since most of its sales are export oriented and any depreciation in currency will improve the overall price competitiveness of HTML. With future outlook of weak currency, it will have direct positive bearing on HTML.

4.3.2 COST DRIVERS

Raw Cotton

Raw cotton is a key input to textile industry which comprise major portion of input cost. Both international and domestic cotton prices remained upbeat during FY17 and currently stand at 3-yr high; however cotton prices are expected to retreat owing to higher ending stock worldwide and higher domestic sowing.

Electricity

In the past, power load shedding has significantly impacted the textile sector of Pakistan as businesses had to switch to alternative and expensive sources of power. The current government has however improved the power supply situation and decreased the electricity load shedding to industrial sector. In addition the new capacity additions have also brought down the cost of power significantly with a more favorable national power mix. With more CPEC related power projects slated to come online in next two years, electricity shortfall is expected to reduce further.

Labor Cost

The government has raised the minimum wage of labor in Pakistan to PKR 15,000 per month for 2017-18 compared to PKR14, 000 for 2016-17. This impacts the profitability of companies negatively as cost of production go up.

4.4 HIRA GROUP OVERVIEW

Hira Group comprises of two state of the art textile units by the name of 'Hira Textile Mills Limited' and 'Hira Terry Mills Limited' located adjacent to each other at 8km from Manga Raiwind Road, Lahore. Hira Textile Mills Limited produces cotton yarn with the facility of an in house dyeing unit and Hira Terry Mills Limited manufactures towels.

The units, apart from producing and exporting their respective products all across the world, are also a fine example of vertical integration where at times the product yarn is obtained

from Hira Textile Mills Limited and optimally weaved to make towels in Hira Terry Mills Limited.

Hira Textile Mills Limited

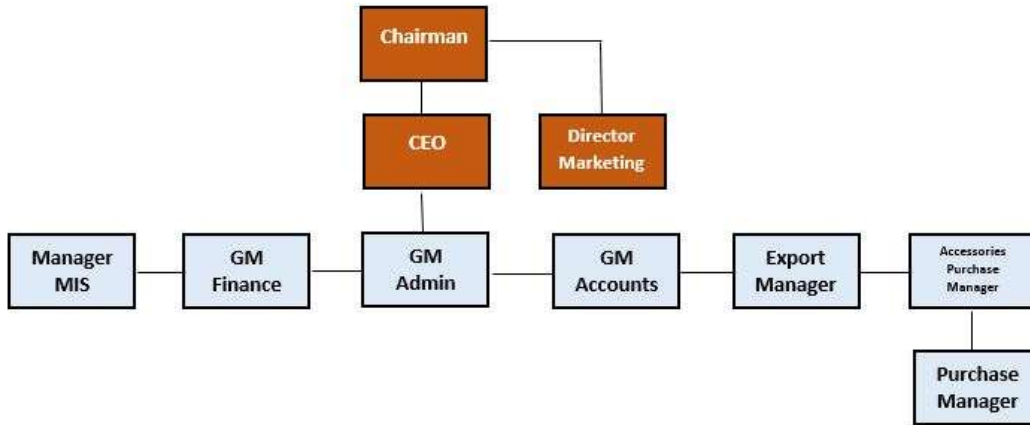
Hira Textile Mills Limited is equipped with the most modern machinery in spinning, doubling and yarn dyeing comprises of 41,424 spindles. The product range varies from coarse counts to fine counts ranging from 4/1cd to 80/1cm, producing Ring Spun as well as Compact spun yarns, Slub and Lycra yarns. Hira Textile carries a yearly stock of top quality Pakistani cotton, contamination free American & Australian cotton, Indian cotton, Giza & Pima cotton, Organic cotton and Man-made Fibers to meet the requirements of its valued customers. The Unit also has Doubling & Twisting machines.

Summary Financial Performance of Hira Textile Mills Limited

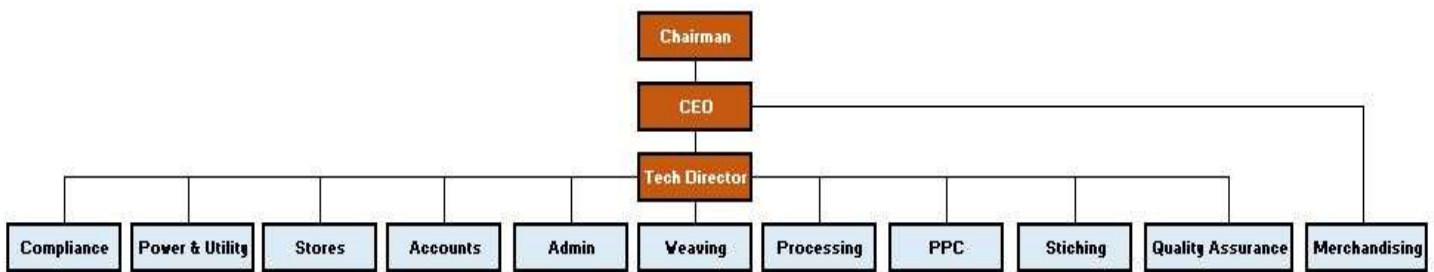
<i>(Amounts in PKR '000)</i>	Period ended June 30th		
	Audited	Audited	Audited
	2017	2016	2015
Income Statement			
Net Sales	3,361,275	3,523,396	4,061,800
Gross profit	255,012	334,665	474,281
Operating Profit	161,045	234,126	347,398
Share of Profit from Hira Terry Mills Limited	102,676	91,565	78,303
Profit before Taxation	43,958	101,400	150,395
Profit after Taxation	7,455	93,538	92,338
Earnings Per Share	0.09	1.08	1.15
Gross Profit Margins (%)	7.59%	9.50%	11.68%
Operating Profit Margins (%)	4.79%	6.64%	8.55%
Net Profit Margins (%)	0.22%	2.65%	2.27%
Return on Equity	0.38%	4.81%	4.98%
Dividend/Bonus	-	-	10% (B)
Balance Sheet	2017	2016	2015
Total Liabilities	3,469,601	3,117,991	3,102,565
Total Assets	5,967,446	5,514,606	5,021,274
Share Holders Equity	1,968,630	1,945,237	1,852,817
Number of shares	86,578	86,578	78,707
Break-up Value per Share	22.74	22.47	23.54
Current Ratio (x)	0.89	0.92	0.96
Total Asset Turnover Ratio (x)	0.97	0.64	0.81
Debt to Equity (x)	1.33	0.58	1.19

4.5 MANAGEMENT FLOW CHART

4.5.1 ORGANIZATIONAL FLOW CHART OF HIRA TERRY MILLS LIMITED (HEAD OFFICE)



4.5.2 ORGANIZATIONAL FLOW CHART OF HIRA TERRY MILLS LIMITED (Mill)



4.6 PLANT & EQUIPMENT MANUFACTURING PROCESS

Hira Terry Mills operates three separate divisions for its towel manufacturing process on freehold land, spread over an area of approx. 8 acres, owned by the Company 29km from Lahore on Raiwind Manga Road. The following table provides a list of machinery used within three divisions.

Weaving	Stitching	Dyeing	Power House
<ul style="list-style-type: none"> Warping Machines Sizing Machines Knotting Machines Air Jet Looms Jacquard Machines 	<ul style="list-style-type: none"> Side Hemming Machines Cross Hamming Machines Double Needle Lock Stich Single Needle Lock Stich Embroidery Machines 	<ul style="list-style-type: none"> High Temperature Dying Machines Sample Dying Machines Chemical Dispensing Machines Dyes Dispensing Systems High Temperature Sample Dying Shearing Machines 	<ul style="list-style-type: none"> Gas Turbine Transformer Generator L.T & H.T Panels & Transformers

All three divisions of the Company have been operating at high capacity in the recent years. The following table lists the installed and utilized capacities for the Company's Weaving, Dyeing & Processing and the Stitching divisions:

	2013	2014	2015	2016	2017
Weaving Capacity (Tons)	7,200	7,200	7,200	7,200	7,200
Utilization (%)	96%	97%	94%	95%	96%
Dyeing & Processing Capacity (Tons)	5,250	5,250	5,250	5,250	5,250
Utilization (%)	97%	94%	95%	96%	95%
Stitching Capacity (Tons)	5,200	5,200	5,200	5,200	5,200
Utilization (%)	95%	96%	97%	95%	96%

HTML production over the period of last 5 Years has increased by more than 3.00% on CAGR basis over the period of last 6 years. The Company is currently operating at its optimum capacity towards achieving the current demand of terry towels. In 2017 company received shorter run orders as compared to longer run orders which resulted in higher wastage resulting in slight decline in the production as compared to 2016. However, Company stands committed in terms of catering the rising demand of terry towels globally as a result the Company has undertaken a large expansion in its Dyeing & Processing and Stitching divisions which will increase the capacity of both divisions by more than fifty percent to 8,000 metric tons per annum. The increased capacity is expected to be available by 4Q 2018.

For further details and break-up of the utilization of proceeds towards expansion of the Company's manufacturing facilities, please refer to paragraph [2.3.13](#).

4.6.1 MANUFACTURING PROCESS AND SOURCING OF MATERIAL OF HIRA TERRY MILLS LIMITED

Sourcing & Preparation

Yarn is sourced from various suppliers after which warping machines are used to prepare beams. The Company has modern European warping machines.

The beams are then moved to the sizing machine where starch is applied to strengthen the yarn and allow it to run smoothly on the looms. Starch helps reduce yard breakage which in turn helps improve the quality of the final product.

Weaving Division

After sizing, the beams are taken to the looms for weaving; the Company has a total of 56 looms including air jet high speed dobby and Jacquard looms. These looms weave the greige fabric as per customer requirements.

Dobby looms are used to produce single coloured towels as well as some with simple designs while jacquard looms are used to prepare towels with complex designs.

In order to provide clients the best value, the Company produces certain Jacquard quality towels on dobby looms by modifying the designs slightly. This results in lower production costs and subsequently lower selling price.



Warping & Sizing Machines



Weaving- Air Jet Looms (Dobby & Jacquard)



Dyeing & Processing Division

After weaving, the greige fabric is taken to the dyeing plant. During the dyeing process, the starch applied previously is removed and the towels are dyed. Orgatex, which is computerized automatic chemical dosing system, is used to ensure consistency and reproducibility of color.

The Company is equipped with Automated High Temperature Terry Dyeing Machines, from Europe with a capacity of 20 tons per day. The fully automated dyeing system is able to process consistent dye lots with optimum chemical, water and time saving.



Dyeing Machine

Drying-Finishing

After dyeing, the fabric is taken to the finishing range where the finishing chemicals are applied. The Company has a capacity to dye and fully automatic finishing line which helps to produce soft and highly absorbent towels.

Once the fabric is finished, it is taken to Stenter machine. This machine is used to straighten the weft so there is no bowing or skewing in the fabric. HTML is equipped with automatic continuous drying-finishing range especially designed for towels.

The Company has also installed a shearing machine that cuts the yarn loops in order to give towels a velvet feel; thus enhancing its value.



Finishing - Weft Straightener / Stenter

Stitching & Packing Division

After Stenter, the fabric is taken to automatic stitching machines. Here, automatic slitting machines cut the towel panels, and prepares them using automatic side hemming and automatic cross hemming machines.

Once the selvages and accessories are sewn, the towels are taken to packing area.

At packing area, the towels are packed in poly bags & then in cartons. From here, the cartons are moved to warehouse area for final dispatch after final inspection from the QA department. HTML employs fully automated stitching machines that produce consistent quality and standardized products.



Automated Stitching & Finished Goods Warehouse

Company primarily use gas supply from SNGP in order to meet up its power needs, However, HTML has installed their own Electric Grid Station in order to overcome intermittent gas supply. In addition to this, the Company has also setup a dual fired power generation unit of 3.5 MW that can run on gas and Diesel. Diesel generators are also installed that can serve as a backup in an event if the two primary sources of electricity are unavailable.



Internal Power Generation With back up from National Power Grid, Co-Generation

4.7 PRODUCTS OFFERED

Hira Terry Mills Limited product range comprises of:

Solid Colored Towel



Yarn Dyed Dobby Towel



Solid Jacquard Towel



Bath Robe



















Yarn Dyed Jacquard Towel



High End Hospitality Towel



4.8 MAJOR LIST OF LOCAL AND FOREIGN CUSTOMERS

- | | | | |
|------------------|---|--------------------|---|
| • Calvin Klein |  | • Mark & Spencer's |  |
| • Tommy Hilfiger |  | • Nishat Linen |  |
| • Nautica |  | • Gul Ahmed Ideas |  |
| • Next |  | • Welspun |  |
| • Christy |  | • Ellan Tracy |  |
| • Revman |  | • Target |  |
| • Macy's |  | • T.J.Maxx |  |
| • Ross |  | • Sainsbury |  |

4.9 SECTOR REVIEW

Pakistan is the fourth largest producer of cotton in the world with huge potential to further increase crop yield. The easy availability of raw materials and the supply of low cost labor is the key in every export oriented industry as it helps contain the costs of doing business. Pakistan is also the third largest producer of yarn products which is further processed into various textile goods. The textile value chain is quite long and consists of 10 industrial sub-sectors starting from cotton picking to finished product. This long chain contributed to value addition and employment generation.

The government has taken some good initiatives to revive this industry and help it regain its competitiveness on the global scale. In order to boost output of cotton crop, better quality seeds are being introduced that would help increase yields and quality. Electricity shortage is also being reduced and textile manufacturers are being provided substantially more power than previous years. Focus is also being made to develop skilled manpower in order to improve the per capita productivity. Likewise, physical infrastructure such as dry ports has been setup in Punjab where most of the textile producers are located. This is providing better opportunities for textile exporters to tap international markets.

4.9.1 TEXTILE POLICY 2014-19

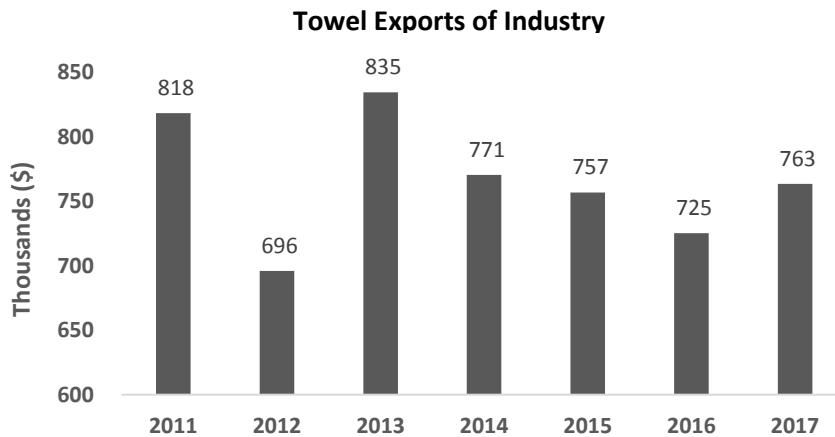
The textile policy announced by the Federal Government in 2014 provides a better business environment to textile manufacturers. The package carries special duty-drawback rates, duty exemption on import of plants and machinery, subsidy on long-term loans and development subsidies. The Policy offers about PKR 64.15bn cash subsidy to the textile and clothing sector to enhance exports to USD 26bn by 2019 from the current level of USD 13bn. The Finance Division will provide PKR 40.6bn over the five years for duty drawback,

technology up-gradation and brand development, while another PKR 23.5bn will be provided for skill development, dedicated textile exhibitions, establishment of world textile center, weaving city, and apparel house. Around 120,000 people will be trained through skills development program and 50 small companies from the sector will be picked each year for the next three years for government support. The proposed measures will promote value-addition and generate employment for over 5 million people.

4.9.2 TOWEL INDUSTRY

There are about 10,000 towel looms, including shuttle and shuttle less, in the country in both organized and unorganized sector. This industry is dominantly export based and existing towel manufacturing facilities are constantly being upgraded in order to produce competitive products for the international market. Recently government has announced export rebate of 6% on towels which would help increase margins and profitability of businesses in this area. Additionally, government has withdrawn sales Tax and duty on the imported machinery in order to facilitate local industry to meet their Balancing, modernization and replacement and expansion plans.

There are just a few companies producing high quality towels suitable for export and with demand for good towels increasing globally, this sector has plenty of room for growth. Secondly, there is insignificant local demand for the good quality towels. Once the local population is provided with better quality towels, local demand would rise significantly. Just as the demand for ready-made garments has risen significantly due to more public awareness, towels are the next value added product to receive attention.



Source: Pakistan Bureau of Statistics

4.9.3 SECTOR OUTLOOK

Pakistan textile exports witnessed several issues in the recent past mainly related to power shortage, lower cotton prices, and firm Pakistan currency. However, the availability of GSP Plus scheme mitigated the negatives up to a certain extent. The demand for textile products is growing globally and the current government policies are favorable for the industry.

The current budget has provided several relief measures to the textile sector in order to enhance exports. Export Refinance Facility has been cut to 3.5% from 6.0%, while Long Term Finance Facility has been cut to 2.5%. Customs duty on import of textile machinery has also been maintained at 0%. This would help the textile industry to acquire modern equipment without having to pay any customs duty.

The Textile Policy 2014-19 has laid out a perspective plan for the next five years aimed at promoting the industry. The policy has addressed the complete value chain of the industry.

Every subsector in the value chain contributes to value addition and employment generation. As the value chain moves downstream, each link with lesser investment creates larger number of jobs. Focus has been set on converting more primary raw materials in to value added product, increasing productivity and quality. The policy also aims to increase the capacity of the industry that would help create jobs and regain the lost share of exports.

4.9.4 PEER GROUP ANALYSIS⁸

Company name	Shares outstanding	Prices at 1 Nov 2017	Market Cap (in Million)	EPS	BVPS	P/E	P/B
HIRA TERRY	47,208,000	23.00	1,086.00	4.64	34.45	4.96	0.67
Feroze 1888	376,800,968	65.15	24,549.00	6.61	34.52	9.86	1.89
Towellers	17,000,000	111.00	1,887.00	3.63	28.89	30.58	3.84
Zephyr Textile	59,428,729	13.49	802.00	1.16	23.50	11.63	0.57
Gul Ahmed Textile	297,079,604	34.00	10,101.00	2.50	33.40	13.60	1.02
Mean						16.42	1.83
Median						12.61	1.45

Based on latest available accounts

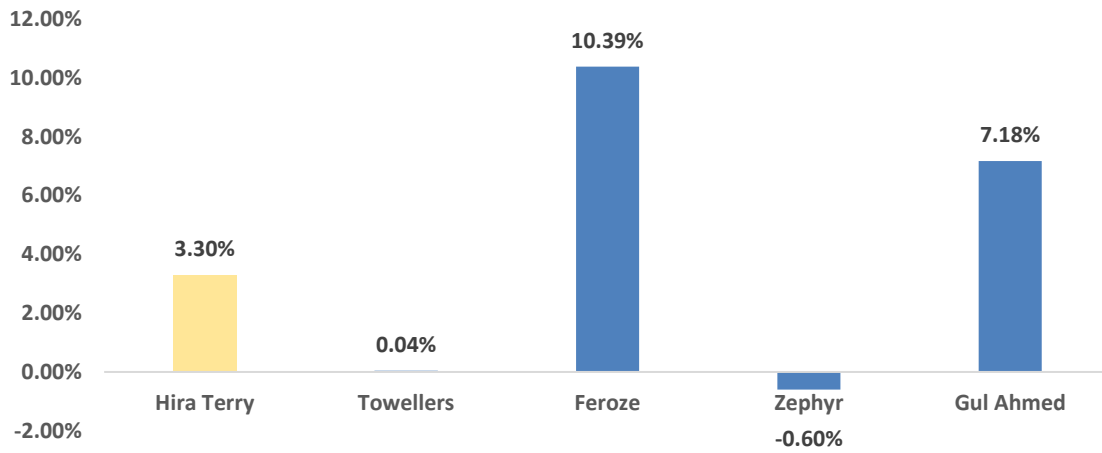
Based on Floor Price of PKR 23.00 per share of Hira Terry Mills Limited the price to earnings (P/E) multiple is 4.96x and price to book (P/B) multiple is 0.67x. Relative to industry mean P/E and P/B of 16.42x and 1.83x respectively, HTML shares are being issued at a discount of 3.31x and 2.74x respectively relative to the industry.

Company name	Shares outstanding	Prices at 1 Nov 2017	Market Cap (in Million)	EPS	BVPS*	P/E	P/B
HIRA TERRY	47,208,000	23.00	1,086.00	4.64	34.45	4.96	0.67
Feroze 1888	376,800,968	65.15	24,549.00	6.61	34.52	9.86	1.89
Towellers	17,000,000	111.00	1,887.00	3.63	28.89	30.58	3.84
Mean						20.22	2.86

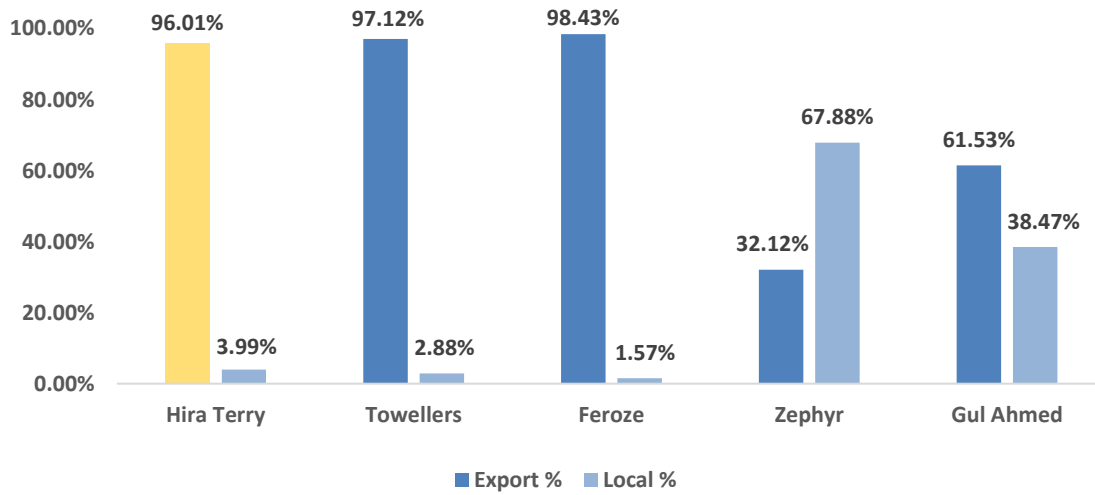
Comparing Hira Terry Mills Limited performance with only listed towel manufactures, HTML shares are being offered at the discount of 4.08x and 4.29x relative to the industry mean P/E and P/B of 20.22x and 2.86x respectively.

⁸ All the financial information is sourced from audited financial statements of companies and Pakistan Stock Exchange (PSX)

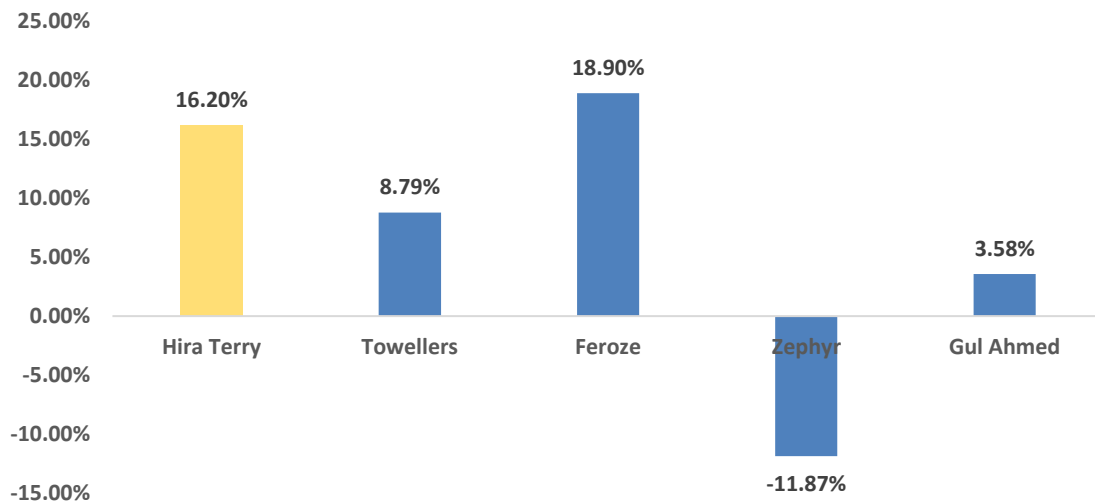
Net Revenue CAGR (Last 5 Years)



Export & Local Sales %



Net Profit CAGR (Last 5 Years)



4.9.5 PROJECT LOCATION

The plant is located about 18 miles (29km) from Lahore on Raiwind Manga Road and stretched upon approx. 8 acres of land. The Plant is accessible through all major highways around Lahore and is at a 45 minutes' drive from Lahore International Airport.

REGISTERED/CORPORATE OFFICE

HTML's Corporate Office is situated at 44-E/1, Gulberg-III, Lahore.

4.10 EXPANSION, UPGRADATION AND MODERNIZATION CAPITAL EXPENDITURE PLANS⁹

4.10.1 OVERVIEW AND STATUS OF THE EXPANSION

Dyeing & Processing Division

The Company undertook expansion in the Dyeing & Processing division amounting to a total CAPEX of PKR 254 million of which PKR 33 million has been incurred in FY 2016 and PKR 221 million has been incurred in FY 2017. Amongst other machines and equipment imported from Italy, China, UAE, UK, USA, Saudi Arabia and Japan, the Company has purchased four brand new Fabric Dyeing machines worth PKR 78 million and one Yarn Dyeing machine worth PKR 23 million from the Germany based Thies GmbH & Co which is one of the leading textile machine manufacturers in world with over 100 years of experience in the business. HTML has also purchased a Stenter machine from Turkey based HAS Group worth PKR 24 million. A Winding machine worth PKR 23 million has also been procured from Switzerland based SSM Vertriebs AG. An Air Flow Drying & Softening Machine has been purchased from Italy based Biancalani SRL worth PKR 29 million. Almost 60% of the machinery and equipment purchased for the expansion in this division has arrived in Lahore and shall be operational by 4Q FY18 and the remaining 40% of the machinery is expected to arrive in FY18. After the completion of expansion, the capacity of the Dyeing & Processing division shall increase to 8000 metric tons which is more than 50% of the existing installed capacity. Following is the complete list of machinery and equipment including the details of letter of credits:

⁹ Data as submitted by the Company

PROSPECTUS | HIRA TERRY MILLS LIMITED

Machines	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount (PKR)	Status
Stenter Machine	1	HAS Group Makina Endustri A.S	Turkey	01-Nov-2016	EUR: 210,000	23,961,000	Arrived
Weft Straightener Machine	1	Corino Macchine S.P.A. Strada	Italy	01-Nov-2016	Euro: 47,000	5,447,300	Arrived
Air Flow Drying and Softening Machine	1	Biancalani SRL	Italy	12-Apr-2016	EUR: 242,605	28,967,037	Arrived
Classic Opening Line Machine	1	Corino Macchine S.P.A. Strada	Italy	12-Apr-2016	EUR: 163,620	18,472,698	Arrived
Hydro Extractor Machine	1	Xinwen International Trading (WUXI) Co. Ltd	China	20-Apr-2016	USD: 18,500	1,937,875	Arrived
Lab Equipment	Various	Gea Middle East L.L.C	UAE	22-Apr-2016	Euro: 11,000	1,267,200	Arrived
Lab Equipment	Various	Advance Dyeing & Solutions Ltd.	UK	22-Apr-2016	GBP: 15,500	2,163,800	Arrived
Lab Equipment	Various	Datacolor Asia Pacific (HK) Ltd	Hong Kong	22-Apr-2016	USD: 48,500	5,079,839	Arrived
Lab Equipment	Various	Baoshang International Trading (Shanghai) Co. Ltd	China	25-Apr-2016	USD: 14,000	1,467,900	Arrived
Lifter	1	Toyota Tsusho Corporation	Japan	25-Apr-2016	JPY: 2,070,000	2,123,820	Arrived
Yarn Dyeing Sampling Machine	2	Ugolini Dyeing Technologies	Italy	01-Nov-2016	EUR: 54,500	6,207,550	Arrived
Winding Machine	1	SSM Vertriebs AG	Switzerland	01-Nov-2016	CHF: 215,000	22,957,700	Arrived
Radio Frequency Dryer	1	Stalam S.P.A	Italy	01-Nov-2016	EUR: 105,000	11,880,750	Arrived
Pre-Engineered Steel Structure	-	Zamil Steel Pre-Engineered Buildings Company Ltd	Saudi Arabia	11-Apr-2016	USD: 190,000	19,921,500	Arrived
Fabric Dyeing Machines	4	Thies GmbH & Co	Germany	09-Nov-2016	EUR: 675,000	78,232,500	In Transit (Expected by 31 Dec 2017)
Yarn Dyeing Machine	1	Thies GmbH & Co.	Germany	09-Nov-2016	EUR: 188,000	22,560,000	In Transit (Expected by 31 Dec 2017)
Stitching Machine (Rolls)	4	The Merrow Sewing Machine Company	USA	07-Jun-2017	USD: 16,602	1,759,812	In Transit (Expected by 31 Dec 2017)
TOTAL						254,408,281	

Stitching Division

The Company is currently under the process of expansion in the Stitching division amounting to a total CAPEX of PKR 144 million of which PKR 69 million was incurred in FY17 and PKR 75 million will be incurred in FY18. The Company has procured the cutting edge technology from leading manufactures which includes slitting and hemming machine from Carl Schmale GmbH (Germany) worth PKR 30 Million and other ancillary supporting equipment such as cooling systems and towers from Yantai Ebara Air Conditioning (China), Electric chillers from Rhoss S.P.A (Italy). Most of the machinery and equipment is expected to arrive in FY18 and shall be operational by 4Q FY18. The list of machinery imported in FY17 is as follows:

Machines	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount (PKR)	Status
Cargo Lifts	2	Yida Express Elevator Co. Ltd	China	03-Apr-2017	USD: 55,000	5,940,000	Arrived
Schmale Side Hemming Machine	1	Carl Schmale GmbH & Co.	Germany	05-May-2016	EUR: 165,000	18,381,000	Arrived
Cooling System Chiller	1	Yantai Ebara Air Conditioning Equipment Co. Ltd	China	03-Apr-2017	USD:170,000	18,360,000	In Transit (Expected by 31 Dec 2017)
Electric Chiller	1	Rhoss S.p.A	Italy	03-Apr-2017	EUR: 44,000	5,280,000	In Transit (Expected by 31 Dec 2017)
Centrifugal Pumps	Various	Orient Energy Systems FZCO	UAE	03-Apr-2017	USD: 47,833	5,165,964	In Transit (Expected by 31 Dec 2017)
Slitting Machine	1	Carl Schmale GmbH & Co.	Germany	14-Dec-2016	EUR: 100,500	12,060,000	In Transit (Expected by 31 Dec 2017)
Stitching Structure	1	Zamil Steel Pre-Engineered Buildings Company Ltd	Saudi Arabia	9-Nov-16	USD: 356,000	37,718,200	In Transit (Expected by 31 Dec 2017)
Cooling Tower	1	Yantai Ebara Air Conditioning Equipment Co. Ltd	China	03-Apr-2017	EUR: 31,250	3,750,000	In Transit (Expected by 31 Dec 2017)
TOTAL						106,655,164	

HTML has already established letter of credit worth PKR 18 million out of PKR 37 million in FY18 for the stitching division components and various automated systems such as ERV Systems from BRY Air (Malaysia), BMS System from Invention Control Building LLC (U.A.E), Air Handling Unit from Rhoss S.P.A (Italy) and Ventilation components from Fabric Air (Denmark). These component are expected to arrive in FY18 and shall start commercial operations in 4QFY18. After the completion of expansion, the capacity of the Stitching division will increase to 8000 metric tons which is more than 50% of the existing installed capacity (5200 metric tons). Following are the details of machinery and equipment being imported:

Machines	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount (PKR)	Status
Ventilation Components	1	Fabric Air A/S	Denmark	25-May-17	EUR: 29,881	3,227,148	In Transit (Expected by 31 Dec 2017)
ERV System	4	BRY Air (Malaysia) SDN BHD	Malaysia	1-Jun-17	USD: 25,740	3,088,800	In Transit (Expected by 31 Dec 2017)
BMS System	Various	Invention Building Material LLC	UAE	6-Jun-17	USD: 22,369	2,431,512	In Transit (Expected by 31 Dec 2017)
Air Handling Unit	Various	Rhoss S.P.A	Italy	1-Jun-17	EUR: 76,529	9,183,600	In Transit (Expected by 31 Dec 2017)
TOTAL						17,931,060	

Power House

To cater for the additional capacity coming online HTML has planned investment in power generation. The existing power capacity is sufficient to meet the current power demand however additional power generation is being installed to provide uninterrupted and cost effective power supply for smooth operations going forward. The planned capital expenditure is estimated at PKR 146 Million, of which PKR 145 Million has already been incurred during FY 17 on world’s first 2-stage (Type-6) turbocharged gas engine – General Electric GE’s Jenbacher J624 with overall capacity of 4.4 MW providing independent power generation and combined heat and power (CHP) solutions. Other components in power house includes waste heat recovery boilers from Changzhou Daya (China), Valves Chillers from Tozen Corporation (Singapore). While the LC’s for the balance of PKR 1.5 Million has already been established. The commissioning of the power house is planned by FY18 in line with commissioning of the other expansions.

The details of machinery in Power House of which LC’s were established and arrived are as follows:

Machines	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount in (PKR)	Status
GE Generator	1	Orient Energy Systems FZCO	UAE	8-Aug-2016	USD: 1,315,000	137,946,326	Arrived
Waste & Heat Recovery Steam Boiler	1	Changzhou Daya IMP & EXE Corp Ltd	China	7-Jun-2017	USD: 35,714	3,785,684	In Transit (Expected by 31 Dec 2017)
Valves Chiller & Dyeing Machinery	Various	Tozen Corporation (S) PTE Ltd	Singapore	7-Jun-2017	USD: 28,504	3,021,504	In Transit (Expected by 31 Dec 2017)
TOTAL						144,753,514	

Details of outstanding LC for power house equipment is as follows:

Machinery	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount in (PKR)	Status
Heat Exchanger	2	Kelvion FZE	UAE	6-Jun-2017	EUR 13,750	1,574,375	In Transit (Expected by 31 Dec 2017)

4.10.2 OVERVIEW AND STATUS OF THE MODERNIZATION

Weaving Division

Hira Terry Mills is currently operating its weaving division with 48 Dornier looms with overall processing capacity of 7200 metric tons per annum. HTML has upgraded and modernized its weaving division through state of the art Warping and Jacquard machines and other ancillary equipment. HTML has got hold of latest technology Jacquard machines from Staubli Lyon SAS (France), company with the reputation of producing innovative high- performance multi-purpose Jacquard machines, Warping Machine from Lindauer Dornier GmbH (Germany), company who has established itself as a market leader worldwide in weaving and specialty machines. The modernization of weaving division will not increase its overall weaving capacity (currently 7200 metric tons). However, it will assist HTML to enhance the overall efficiency and streamline its production facilities altogether. HTML has incurred a CAPEX of PKR 127 Million out of which PKR 86 Million has been incurred in FY16 and remaining PKR 41 Million in FY17. The machinery has already arrived in Lahore and the commercial operations of the new machinery will commence from 4QFY18 once the remaining expansion comes online. The details of machinery imported are as follows:

Machines	Units	Manufacturer	Country	LC Date	Amount (FCY)	Amount (PKR)	Status
Sectional Warping Machine	1	Karl Mayer Textilmaschinen AG	Switzerland	01-Nov-2016	EUR 310,000	35,541,500	Arrived
Jacquard Machines	Various	Staubli Lyon SAS	France	05-Apr-2016	EUR 329,500	38,469,125	Arrived
Jacquard Machines	Various	Staubli Lyon SAS	France	20-Apr-2016	EUR 320,000	37,152,000	Arrived
Conversion Parts	Various	Lindauer Dornier GmbH	Germany	20-Apr-2016	EUR 87,265	10,384,535	Arrived
Compressor Parts	Various	Atlas Copco Air Power N.V.	Belgium	25-Apr-2016	EUR 46,291	5,462,397	Arrived
TOTAL						127,009,557	

Ancillary Capex

HTML has plans to incur capital expenditure of PKR 492 Million on Civil works on dyeing, stitching, power house, Mechanical and Piping works, Electrical cable installations, Import duties and taxes on machinery imported, Software ERP system and miscellaneous cost. Out of PKR 491.9 Million, PKR 76 million has already been incurred in FY17 and the remaining PKR 415 Million will be incurred in FY18.

Details of Ancillary CAPEX and stage of completion can be referred on section 4.11 (Summary of Expansion Cost).

4.11 SUMMARY OF EXPANSION COST

A breakdown of the funds being deployed along with the funds already utilized till 30th September 2017 is provided in the grid below:

Details	Total Estimated Cost (PKR)	Costs Incurred up to 30 Sep 2017 (PKR)
Plant & Machinery-Dyeing & Processing	254,408,281	254,408,281
Plant & Machinery-Stitching	143,929,024	68,936,964
Plant & Machinery-Weaving	127,009,557	127,009,557
Plant & Machinery-Power- Generator ancillaries & accessories	146,327,889	144,753,514
Civil works, Dyeing, Stitching, Laboratory	245,090,895	42,696,268
Electrical work Cables HT, LT Panels	44,050,000	3,514,062
Mechanical Works Piping etc.	64,118,438	11,327,148
Import Duties, Taxes & Freight Forwarding	83,668,754	20,709,534
Software ERP System	25,000,000	-
Miscellaneous Expenses	30,000,000	-
TOTAL	1,163,602,837	673,355,328

Note: The Company will submit the quarterly progress report to Pakistan Stock Exchange (PSX) about the progress of the project.

4.12 MEANS OF FINANCING

Hira Terry Mills Limited has and will utilize the following sources of financing for the ongoing expansion of its facilities:

Sources of Funds	Total Estimated Cost (PKR)
Bank Loans	
National Bank of Pakistan	200,000,000
Saudi Pak Industrial and Agriculture Investment Limited	350,000,000
Askari Bank Limited	140,000,000
Bank Loans Total	690,000,000
Proceeds from Initial Public Offering (excluding working capital)	473,602,837
Total	1,163,602,837

Details of Bank Loans

Hira Terry Mills Limited has secured PKR 690 million in long-term financing from National Bank of Pakistan, Saudi Pak Industrial and Agricultural Bank and Askari Bank Limited to partially finance the ongoing expansion of its facilities.

Bank Name	Amount Sanctioned /Disbursed (Mn)	Mark-Up	Facility Type	Disbursement Date	No of Installments	Grace Period	Security
National Bank of Pakistan	200	3MK+2.50%	LTFE	June 2016	24 Equal Quarterly Installments	1 Year	Fixed Assets of the Company
Saudi Pak Industrial and Agriculture Bank	350	6 MK + 2.75%	LTFE	February 2017	26 Equal Quarterly Installments	1 Year	Fixed Assets of the Company
Askari Bank Limited	140	SBP Rate + 3.00%	LTFE	April 2017	26 Equal Quarterly Installments	2 Years	Fixed Assets of the Company

4.13 RISK FACTORS

4.13.1 SECTOR RISK

As Textile industry is highly competitive and is one of the largest industrial sector in Pakistan, HTML faces a number of aggressive competitors both nationally and internationally. Performance of textile industry and hence HTML depends on key factors including available power, raw materials, global textile market and economic policy of the Government. The world economy plays a major role in textile market and the industry as it determines both the pricing and demand dynamics. While HTML procures yarn from local market prices are correlated with the global cotton market. In addition HTML has competition with well-established towel manufacturing companies in countries like China, India and Bangladesh.

4.13.2 OPERATIONAL RISK

Operational risk for HTML may arise as a result of lack of proper execution of company's business. Moreover, shortage/lack of utility, unavailability of raw materials, labor unrest and general price increase of raw materials, labor supply and spare parts of machinery, natural calamities like floods, earthquake etc. may disrupt the production of the company.

4.13.3 REGULATORY AND LEGAL RISK

Any revision in industrial/sector policies, Imposition/enhancement of duties, taxes, levies and other conditions may adversely affect operations and financials of the Company.

4.13.4 COMPETITION RISK

HTML's sales (product line and customer base) could be adversely affected by increased competition. The towel manufacturing industry in Pakistan is characterized by a large number of small privately held firms competing on quantity as result of which HTML needs to compete on quality not quantity.

4.13.5 FOREIGN EXCHANGE RISK

The export business of HTML is exposed to foreign exchange risk which may have an adverse impact on the Company's earnings in case of a downward exchange rate parity. Fluctuations and uncertainty in foreign exchange markets will affect the realized revenue the Company receives for its exports; while the prices it pays for machinery may increase effective cost which can potentially hamper operational and financial planning.

4.13.6 INTEREST RATE RISK

HTML has undertaken debt to partially finance the expansion in its existing manufacturing facilities. Any change in the base rate of any floating interest rate structure would translate to higher financial costs thus resulting in reduced profitability.

4.13.7 PHYSICAL DAMAGE AND LOSS OF PROPERTY RISK

Damage to property, plant and equipment can be caused due to natural disasters, fire etc.

4.13.8 POWER SUPPLY RISK

The Company may not be able to operate at optimal capacity due to unavailability of electricity/RLNG. In order to overcome the energy shortage HTML can opt for captive power

through alternative power supply such as gas or diesel generators which can be an expensive source of power supply affecting the margins of the Company.

4.13.9 PRICING RISK

The prices of raw materials for textile products are linked to international cotton prices. Any increase in the prices of raw materials could lead to lower earnings.

4.13.10 HUMAN RESOURCE RISK

Increasing competition for skilled human resources may lead to high turnover causing deterioration in service standards or increased payroll cost, or both.

4.13.11 SPECIALIZATION RISK

Risk of producing only one type of product rather than a portfolio of products shrinks the market that is being catered to by HTML which be adversely affected by any policy change to the sector.

4.13.12 GLOBAL ECONOMIC SLOWDOWN

Since major proportion of Company revenue is based on exports a global economic slowdown could have a negative impact on the demand for HTML's terry products.

4.13.13 UNDER SUBSCRIPTION RISK

There is a risk that the Public Issue may get under-subscribed on account of lack of investor interest.

4.13.14 CAPITAL MARKET RISK

Rise or fall in the market price is correlated with the market forces. Price of shares, especially Issue Price, 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.

4.13.15 SOVEREIGN RISK

Any change in global foreign policy towards Pakistan that may affect it negatively could translate to HTML being unable to export the products to its clientele, which could affect the financial position.

4.13.16 LIQUIDITY RISK

Being a manufacturing concern a considerable portion of HTML's liquidity is tied up in inventory. In case of any adverse situation which results in halted production or revenue not being realized could result in a cash trap position.

4.13.17 TECHNOLOGY RISK

With passage of time the technology in place may become obsolete which could affect the production and financial efficiencies as well as result in customers demanding newer products and switching to alternatives.

4.13.18 SUBSTITUTION RISK

With evolving research and development globally there is a possibility there could be substitutes available to the product which may be preferred to terry products.

4.13.19 CONTRACT RISK

About 20%-25% of HTML's sales are based on Documents being delivered against Acceptance which could result in proceeds against sales not being realized, which could result in bad debts.

4.13.20 PROJECT RISK

HTML is undertaking expansion and balancing, modernization and replacement through this project. Any delays in arrival of machinery owing to shipment delays or delays in engineering could delay the timeline of project coming online.

Note: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND NOTHING HAS BEEN INTENTIONALLY CONCEALED IN THIS RESPECT.

5 FINANCIAL INFORMATION

5.1 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 HIRA TERRY MILLS LIMITED



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08-006 / 0204
October 10, 2017

The Board of Directors
Hira Terry Mills Limited
44-E/1, Gulberg-III
Lahore

Dear Sirs:

AUDITORS' REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with the report containing the financial and non-financial information of Hira Terry Mills Limited ('the Company') for the purpose of inclusion in the prospectus for listing of ordinary shares of the Company on the Pakistan Stock Exchange Limited (PSX) as per the requirements of Public Offering Regulations, 2017.

Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulations, 2017.

Management Responsibility

The responsibility for preparation of the information to be included in this report and the prospectus document, is primarily that of the management of the Company. The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This report does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to report whether the information included herein below under the paragraph 'Auditors' Report' has been extracted from the audited financial statements of the Company. Our report is being issued 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 (ICAP). Our procedures were limited to tracing the above referred information extracted from the audited financial statements of the Company of the respective years and checking the accuracy thereof.

Auditors' Report

Based on the procedures performed as mentioned in the preceding paragraph, we report that:

1. The assets and liabilities of the Company as at June 30, 2017 and preceding four years as at June 30, 2016, 2015, 2014, and 2013 as given in Annexure A, are as per the respective audited financial statements.
2. The profit and loss account of the Company for the year ended June 30, 2017 and the preceding four years ended June 30, 2016, 2015, 2014, and 2013 as given in Annexure B, are as per the respective audited financial statements.

DYA

Member of
Deloitte Touche Tohmatsu Limited



Deloitte Yousuf Adil
Chartered Accountants

3. No cash dividend has been declared by the Company during the year ended June 30, 2017 and the preceding four years.

4. Company's contingencies and commitments as per the audited financial statement for the year ended June 30, 2017 are as follow:

Contingencies

(i) Gas Infrastructure Development Cess ("GIDC") has been levied with effect from December 15, 2011 on industrial gas customers firstly through OGRA notification and subsequently via GID Cess Ordinance, 2014 and GID Cess Act, 2015. The Company, along with other industrial concerns, has filed a writ petition in the Honorable High Court of Sindh challenging the imposition of GIDC. On October 26, 2016, the Honorable High Court of Sindh held that enactment of GIDC Act, 2015, is ultra-vires to the constitution of Pakistan. The Company has not accrued expense relating to GIDC aggregating to Rs. 43.8 million.

(ii) Bank guarantees amounting to Rs. 66.9 million issued in favor of Sui Northern Gas Pipelines Limited and WAPDA.

Commitments

(i) The Company has rented office premises under operating lease arrangement with directors. Commitments for payments in future periods under the lease arrangement for one year and later than one year but not later than five years amounts to Rs. 5.4 million and nil respectively.

(ii) Letters of credit for purchase of stores and raw material and purchase of machinery amounts to Rs. 17.01 million and Rs. 267.24 million respectively.

(iii) The amount of future payments under ijarah agreements for one year and later than one year but not later than five years amounts to Rs. 4.14 million and 4.17 million respectively.

5. General

(i) The audited financial statements for the year ended June 30, 2017 are the latest audited financial statements available with the Company.

(ii) As of June 30, 2017 the Company has no subsidiaries.

(iii) The amounts included in annexure A and B incorporate reclassifications and/or restatements, if any, made in the financial statements of subsequent periods.

(iv) This report is being issued in the capacity of statutory auditor of the Company and on the specific request of the management of the Company for the purpose of proposed listing of the Company's shares on Pakistan Stock Exchange Limited. Accordingly, this should not be used for any other purpose without our prior written consent.

Yours truly

Deloitte Yousuf Adil
Chartered Accountants

Lahore

Member of
Deloitte Touche Tohmatsu Limited

Annexure – A (1/2)

	June 2017	June 2016	June 2015	June 2014	June 2013
	Rupees	Rupees	Rupees	Rupees	Rupees
Non-current Assets					
Property, plant and equipment	1,712,200,547	1,290,465,801	1,311,034,209	1,317,530,263	1,309,508,621
Long-Term Deposits	18,850,242	17,364,782	17,368,143	7,145,551	7,145,551
Deferred tax	19,117,181	-	-	-	-
	1,750,167,970	1,307,830,593	1,328,422,352	1,324,675,814	1,316,654,172
Current Assets					
Stores, spares and loose tools	130,198,025	169,452,551	173,734,080	177,073,693	154,151,462
Stock in trade	1,750,245,513	1,445,728,226	1,409,464,557	1,199,301,180	1,043,097,202
Trade Debtors	734,014,023	575,445,523	430,955,825	307,436,213	338,526,073
Advances, deposits, prepayments and other receivables	864,174,447	498,767,587	187,119,499	335,438,475	406,802,131
Recoverable from Tax Authorities	51,181,109	39,425,158	7,799,881	6,699,214	5,305,372
Cash and bank balances	86,350,308	13,326,301	10,074,631	32,467,623	11,718,565
	3,618,163,475	2,742,165,346	2,219,148,473	2,058,416,598	1,959,600,805
	5,368,331,445	4,049,995,939	3,547,570,825	3,383,092,412	3,276,254,977

DIX

Annexure – A (2/2)

	June 2017	June 2016	June 2015	June 2014	June 2013
	Rupees	Rupees	Rupees	Rupees	Rupees
Share Capital and reserves					
Authorized capital					
June 2017: 80,000,000 (June 2016 and earlier: 45,000,000) Ordinary share of Rs.10 each	800,000,000	450,000,000	450,000,000	450,000,000	450,000,000
Issued, subscribed and paid up capital	472,080,000	393,400,000	393,400,000	393,400,000	393,400,000
Unappropriated profit	1,154,218,874	1,017,474,659	824,466,518	659,171,041	505,041,436
	1,626,298,874	1,410,874,659	1,217,866,518	1,052,571,041	898,441,436
Non-current Liabilities					
Long term financing	464,118,042	150,978,543	122,751,798	220,070,459	371,610,071
Liabilities against assets subject to finance lease	3,574,096	44,642	618,321	3,899,872	12,121,539
Deferred liabilities	40,907,198	31,822,979	22,201,577	16,808,398	12,489,781
	508,599,336	182,846,164	145,571,696	240,778,729	396,221,391
Current liabilities					
Trade and other payables	281,538,021	215,650,124	278,175,650	203,798,754	153,851,513
Accrued mark-up	29,209,841	21,748,979	31,088,848	46,156,399	41,545,943
Short-term borrowings	2,855,814,819	2,135,867,843	1,776,945,302	1,682,881,315	1,639,709,674
Current portion of long term liabilities	66,870,554	83,008,170	97,922,811	156,906,174	146,485,020
	3,233,433,235	2,456,275,116	2,184,132,611	2,089,742,642	1,981,592,150
	5,368,331,445	4,049,995,939	3,547,570,825	3,383,092,412	3,276,254,977

DPA

Annexure - B

	June 2017	June 2016	June 2015	June 2014	June 2013
Sales - net	3,390,790,153	3,181,981,323	3,789,645,023	3,638,907,781	2,977,961,266
Cost of sales	(2,691,522,897)	(2,508,266,074)	(3,087,790,794)	(2,952,072,857)	(2,366,470,466)
Gross profit	699,267,256	673,715,249	701,854,229	686,834,924	611,540,800
Distribution cost	(167,007,086)	(192,898,191)	(200,054,692)	(179,432,894)	(167,850,902)
Administrative expenses	(104,131,573)	(101,565,135)	(93,635,523)	(69,489,302)	(51,175,726)
Other income	9,982,472	8,535,047	3,549,383	15,043,271	7,433,157
Operating profit	(261,156,187)	(285,928,279)	(290,140,832)	(233,878,925)	(211,593,471)
Finance cost	438,111,069	387,786,970	411,713,397	452,955,999	399,947,329
Other charges	(188,587,000)	(144,126,298)	(187,055,168)	(245,614,891)	(239,400,478)
Profit before tax	232,432,333	226,848,085	204,636,342	193,034,372	149,469,118
Taxation	(13,506,830)	(31,613,923)	(37,663,734)	(36,024,499)	(29,377,063)
Profit for the year	218,925,503	195,234,162	166,972,608	157,010,073	120,092,055

DPA



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www.deloitte.com

08-006 / 0706
October 10, 2017

The Board of Directors
Hira Terry Mills Limited
44-E/1, Gulberg-III
Lahore

Dear Sirs

AUDITORS' CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AS AT JUNE 30, 2017 AS REQUIRED UNDER PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on issued, subscribed and paid-up share capital of Hira Terry Mills Limited ('the Company') as at June 30, 2017 as required under Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in respect of issued, subscribed and paid-up capital of the Company in prospectus to be issued for Initial Public Offering as required under Part V of First Schedule of Public Offering Regulations, 2017.

Management Responsibility

The responsibility for the fair presentation of issued, subscribed and paid-up capital in the audited financial statements of the Company for the year ended June 30, 2017 is primarily that of the management of the Company. The management's responsibilities also include the maintenance of adequate accounting and other records (including internal controls), the selection and application of accounting policies and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the amount and other details of issued, subscribed and paid-up capital of the Company as at June 30, 2017, in accordance with the Guidelines for the issue of certificates for special purposes by practicing Chartered Accountant Firms issued by The Institute of Chartered Accountants of Pakistan. Our verification procedures were limited to agreeing the relevant financial information included in this certificate to the audited financial statements of the Company for the year ended June 30, 2017 and to the books of account and records of the Company in respect of the ordinary shares issued as at June 30, 2017.



Member of
Deloitte Touche Tohmatsu Limited

Deloitte.

 Deloitte Yousof Adil
Chartered Accountants

Certificate

Based on the procedures performed as mentioned in above paragraph, we certify that the issued, subscribed and paid-up capital of the Company as at June 30, 2017 is as follow:

	Number of Shares	Amount in Rupees
Ordinary shares of with face value of Rs. 10/- each	47,208,000	472,080,000

The following break-up of issued, subscribed and paid-up share capital has been extracted from the shareholders' register maintained by the Company:

Particulars	Number of Shares	Amount in Rupees
Issued and fully paid in cash	39,340,000	393,400,000
Issued as fully paid up bonus shares	7,868,000	78,680,000
Total	47,208,000	472,080,000

The category wise list of shareholders of the Company extracted from the shareholders' register maintained by the Company, as at June 30, 2017 is as follows:

	Number of Shares	Amount in Rupees
Corporate Shareholders/Sponsors		
Hira Textile Mills Limited	22,140,000	221,400,000
Subtotal 'A'	22,140,000	221,400,000
Shares held by Directors/Sponsors		
Mr. Omar Attaullah Khan	9,444,000	94,440,000
Mr. Aamir Attaullah Khan	7,404,660	74,046,600
Mrs. Rehana Attaullah Khan	5,460,000	54,600,000
Mr. Attaullah Khan	1,295,340	12,953,400
Mr. Umair Umar	603,000	6,030,000
Mrs. Umaira Umer	242,400	2,424,000
Mr. Muhammad Umar Virk	15,000	150,000
Mr. Nadeem Aslam Butt	3,000	30,000
Subtotal 'B'	24,467,400	244,674,000
Other Shareholders		
Mrs. Fatima Nadeem	240,600	2,406,000
Mrs. Shahruiz Umar	360,000	3,600,000
Subtotal 'C'	600,600	6,006,000
Total 'A+B+C'	47,208,000	472,080,000

 Member of
Deloitte Touche Tohmatsu Limited
 D/A

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose set forth in the 'scope of certificate' paragraph above and should not be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

Deloitte Yousuf Adil
Chartered Accountants
Lahore

Member of
Deloitte Touche Tohmatsu Limited

5.3 AUDITOR CERTIFICATE ON BREAK-UP VALUE OF SHARE

Deloitte.

08-006 / 0205
October 10, 2017

The Board of Directors
Hira Terry Mills Limited
44-E/1, Gulberg-III
Lahore

Deloitte Yousuf Adil
Chartered Accountants
134-A, Abubakar Block
New Garden Town, Lahore,
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www.deloitte.com

Dear Sirs

AUDITORS' CERTIFICATE ON BREAK-UP VALUE PER SHARE (BREAK-UP VALUE) AS AT JUNE 30, 2017 AS REQUIRED UNDER PULBIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on break-up value of ordinary shares of Hira Terry Mills Limited ('the Company') as at June 30, 2017 as required under Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in respect of break-up value per share of the Company in the prospectus to be issued for Initial Public Offering as required under Part V of First Schedule of Public Offering Regulations, 2017.

Management Responsibility

The responsibility for the computation of the break-up value of the ordinary shares of the Company, based on the audited financial statements of the Company for the year ended June 30, 2017, in accordance with the requirements of Technical Release - 22 of The Institute of Chartered Accountants of Pakistan (ICAP), is primarily that of the management of the Company. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the break-up value of the ordinary shares of the Company, as at June 30, 2017, in accordance with the requirements of Technical Release-22 and the Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms, both issued by The Institute of Chartered Accountants of Pakistan (ICAP). Our verification procedures were limited to agreeing the relevant financial information, used for the purpose of calculating the break-up value per share, to the audited financial statements of the Company for the year ended June 30, 2017, Form 3 and Form A of the Company submitted to the SECP and the calculation of the break-up value per share of the Company at that date.

DYA

Member of
Deloitte Touche Tohmatsu Limited

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants

Certificate

Based on the procedures performed as mentioned in the above paragraph, we are pleased to certify that the break-up value of ordinary shares of the Company as at June 30, 2017, based on the audited financial statements of the Company for the year then ended is as follows:

	June 30, 2017
	Rupees
Issued, subscribed and paid-up capital	472,080,000
Unappropriated profit	1,154,218,874
Total shareholders' equity (A)	1,626,298,874
	Number of shares
Ordinary shares of Rs. 10/- each fully paid in cash (B)	47,208,000
	Rupees per share
Break-up value per ordinary share of Rs. 10/- each (Rupees) (C= A/B)	34.45

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose set forth in the 'scope of certificate' paragraph above and should not be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

Deloitte Yousuf Adil
Chartered Accountants

Lahore

Member of
Deloitte Touche Tohmatsu Limited

5.4 SUMMARY FINANCIAL HIGHLIGHTS OF HIRA TERRY MILLS LIMITED

<i>(Amounts in PKR millions)</i>	As at and for the year ended June 30th				
	Audited	Audited	Audited	Audited	Audited
	2017	2016	2015	2014	2013
Income Statement					
Revenue	3,390.79	3,181.98	3,789.65	3,638.91	2,977.96
Cost of Goods Sold	2,691.52	2,508.27	3,087.79	2,952.07	2,366.42
Gross Profit	699.27	673.72	701.85	686.83	611.54
Depreciation & Amortization	72.24	67.04	68.52	68.41	64.68
EBIT	438.11	387.79	411.71	452.96	399.95
EBITDA	510.35	454.82	480.24	521.37	464.63
Financial Charges	188.59	144.13	187.06	245.61	239.40
Profit before Taxation	232.43	226.85	204.64	193.03	149.47
Profit after Taxation	218.93	195.23	166.97	157.01	120.09
Balance Sheet					
Non-Current Assets	1,750.17	1,307.83	1,330.80	1,324.68	1,316.65
Current Assets	3,618.16	2,742.17	2,216.77	2,058.42	1,959.60
Total Assets	5,368.33	4,050.00	3,547.57	3,383.09	3,276.25
Paid-up Capital					
Equity	1,626.30	1,410.87	1,217.87	1,052.57	898.44
Surplus on Revaluation on Assets	-	-	-	-	-
Long-Term Debt	464.12	150.98	122.75	216.62	371.61
Short-Term Borrowings	2,922.69	2,218.88	1,874.87	1,843.24	1,786.19
Non-Current Liabilities	508.60	182.85	145.57	237.33	396.22
Current Liabilities	3,233.43	2,456.28	2,184.13	2,093.20	1,981.59
Cash Flow Statement					
Cash Flow: Operating Activities	(459.41)	(325.83)	106.45	201.94	(38.18)
Cash Flow: Investing Activities	(481.17)	(37.38)	(68.52)	(75.02)	(229.01)
Cash Flow: Financing Activities	1,015.60	371.66	(65.52)	(106.17)	273.86
Net Cash Balance	75.02	8.45	(27.59)	20.75	6.67
Margins					
Gross Margin (%)	20.62%	21.17%	18.52%	18.87%	20.54%
EBITDA Margin (%)	15.05%	14.29%	12.67%	14.33%	15.60%
Net Margin (%)	6.46%	6.14%	4.41%	4.31%	4.03%
Investment Ratios					
Earnings per Share – Basic	5.56	4.96	4.24	3.99	3.05
Earnings per Share – Diluted	4.64	4.14	3.54	3.33	2.54
Break-up Value per Share Including Surplus – Basic	-	-	-	-	-
Break-up Value per Share Including Surplus - Diluted	-	-	-	-	-
Break-up Value per Share Excluding Surplus – Basic	41.34	35.86	30.96	26.76	22.84
Break-up Value per Share Excluding Surplus - Diluted	34.45	29.89	25.80	22.30	19.03

PROSPECTUS | HIRA TERRY MILLS LIMITED

Return on Equity (%)	13.46%	13.84%	13.71%	14.92%	13.37%
Return on Assets (%)	4.08%	4.82%	4.71%	4.64%	3.67%

Efficiency Ratios

Fixed Asset Turnover (x)	1.94	2.43	2.85	2.75	2.26
Total Asset Turnover (x)	0.63	0.79	1.07	1.08	0.91
Current Ratio (x)	1.12	1.12	1.01	0.98	0.99
Inventory Turnover (days)	216.70	207.74	154.19	138.63	154.71
Receivables Turnover (days)	70.48	57.72	35.56	32.40	41.01
Payables Turnover (days)	33.71	35.93	28.49	22.11	21.60

Leverage Ratios

Long-Term Debt to EBITDA (x)	0.91	0.33	0.26	0.42	0.80
Long-Term Debt to Equity (x)	0.29	0.11	0.10	0.21	0.41
Long-Term Debt to Total Assets (x)	0.09	0.04	0.03	0.06	0.11
EBITDA / Interest (x)	2.71	3.16	2.57	2.12	1.94

Number of Shares Outstanding	47.21	39.34	39.34	39.34	39.34
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6 MANAGEMENT OF THE COMPANY

6.1 BOARD OF DIRECTORS OF THE COMPANY

Sr. No	Name	Address	Designation	Directorship in other companies
1	Mr. Muhammad Umar Virk	8-C, New Muslim Town, Lahore	Chairman (Non-Executive Director)	- Hira Textile Mills Limited, - Adamjee Insurance Company Limited
2	Mr. Nadeem Aslam Butt	6/A, Block C, Ghalib Road Gulberg II, Lahore	Non-Executive Director	Hira Textile Mills Limited
3	Mr. Umair Umar	8-C, New Muslim Town, Lahore	Chief Executive Officer	-
4	Mrs. Umaira Umer	8-C, New Muslim Town, Lahore,	Non-Executive Director	-
5	Mr. Attaullah Khan	121-U, St. 3, Phase 2 DHA, Lahore	Executive Director	-
6	Mr. Omar Attaullah Khan	121-U, St. 3, Phase 2 DHA, Lahore	Non-Executive Director	Bolan Trading Co.
7	Mr. Aamir Attaullah Khan	121-U, St. 3, Phase 2 DHA, Lahore	Non-Executive Director	Bolan Trading Co.
8	Mrs. Rehana Attaullah Khan	121-U, St. 3, Phase 2 DHA, Lahore	Non-Executive Director	-

6.2 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake that:

1. 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:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. 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 noncompliance 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.
 - III. was de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
2. 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 have 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.

6.3 OVER DUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its directors and its sponsors. The Company, its CEO, its directors and its sponsors, under the oath, undertakes that they have no overdue payment to any financial institutions.

6.4 DIVIDEND PAYOUT BY LISTED GROUP/ ASSOCIATED COMPANIES

6.4.1 HIRA TEXTILE MILLS LIMITED

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Cash Dividend	-	-	-	-	-	-
Bonus Issue	-	10%	-	10%	-	-

6.4.2 ADAMJEE INSURANCE LIMITED

	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CYHY 207
Cash Dividend	25%	35%	27.50%	30%	40%	15%
Bonus Issue	-	183%	-	-	-	-

6.5 PROFILE OF DIRECTORS

6.5.1 Mr. Muhammad Umar Virk, Chairman & Non-Executive Director

Mr. Muhammad Umar Virk is the Chairman of the Company. He is a qualified professional having over 35 years’ experience in textile trade and industry. He is a well-known and vibrant figure in the textile field due to his technical and entrepreneurial capability.

Mr. Virk did his graduation in Textile Engineering in 1976 and began his career as a textile professional and developed it into a thriving career by working for well-known textile mills such as Nishat Mills Ltd.

6.5.2 Mr. Umair Umar, Chief Executive Officer & Director Marketing - Executive Director

Mr. Umair did Bachelor of Science in Economics and Finance with Minor in Mathematics from Bentley University, Massachusetts. He perpetuated business growth of the organization, introduced innovate product lines & designs and provide valuable input in the manufacturing of value added products giving absolute competitive edge to the Company over its peers. He has been involved with the Company since its inception which allowed him to attain deep understanding of the Company and its operations. His constructive vision helps the Company to envisage its short term and long term plans.

Mr. Umair has developed expertise in various fields including sales and marketing, finance, yarn procurement, product development, management etc. and provides strategic direction to the Company. HTML has been performing very well under his leadership and is evident from the growth in profitability since the commencement of the business.

6.5.3 Mr. Nadeem Aslam Butt, Non-Executive Director

Mr. Nadeem Aslam Butt is one of the directors of the Company. He did his Bachelor of Science in Mechanical Engineer from University of Florida and MBA from LUMS in Pakistan. He is a professional having relevant experience of over 25 years in textile industry and also has experience of running the dyeing and finishing plant of Nishat Mills Ltd.

6.5.4 Mrs. Umaira Umar, Non-Executive Director

Mrs. Umaira Virk is a graduate from Bentley University, Massachusetts USA, with Double Majors in Economic and Finance and additional Minors in Mathematics. She is associated with the Company since 2004.

6.5.5 Mr. Amir Ataullah Khan, Non-Executive Director

Mr. Aamir Khan completed his Bachelor of Arts in Communications and Economics from University of Massachusetts, Amherst USA and has been working with Bolan Trading Company since 1999. He is currently running Bolan North American Supplies in Canada and is in charge of developing Institutional Products Market in Canada and USA.

6.5.6 Mr. Ataullah Khan, Executive Director

Mr. Ataullah Khan is also the director of the Company. He obtained M.A in English Literature degree from Punjab University Lahore and LLB degree from SM Law College Karachi. He served Pakistan Customs and Excise as Collector of Customs & Excise at Quetta, Karachi and Lahore. He is also a Legal practitioner and provides advisory services on tax related issues.

6.5.7 Mr. Omar Ataullah Khan, Non-Executive Director

Mr. Omar Khan is a Textile & Science Graduate from Clemson University, South Carolina USA. He has been in the textile industry for the last 20 years. He has worked with the Indus Group and was a director at Sunrays Textile Mills Limited of Indus Group from 1995 to 1998. He established Bolan Trading Company LLC in USA. He played a central role in Bolan's development in capturing the largest market share for Yarn products from Pakistan.

6.5.8 Mrs. Rehana Ataullah Khan, Non-Executive Director

Mrs. Rehana Ataullah is one of the directors of the Company and has been associated with the Company since the commencement of business. She completed her M.A Sociology from Punjab University, Lahore. Before joining HTML, she worked as a Staff welfare officer and Chief welfare officer at Establishment Division, Government of Pakistan. She also held directorship at Sunrays Textile Mills Limited from 1998 to 2005.

6.6 PROFILE OF KEY MANAGEMENT**6.6.1 Mr. Usman Khalid, Chief Financial Officer**

Mr. Usman Khalid is the General Manager Finance/CFO of the Company. He did his Bachelors of Economics (Honours) from University of New South Wales Sydney and MBA Finance from University of Technology Sydney. He has been working with the Company for more than 5 years and has developed sound expertise across various financial aspects of the textile industry.

6.6.2 Mr. Saeed Ahmed Khan, Company Secretary & Manager Accounts

Mr. Saeed Ahmed Khan is the Company Secretary & Manager Accounts of the Company. He obtained his ACMA qualification and became a member of professional accountants' body. He has been working with Hira group for the last 18 years and extensive work experience and solid know how of the textile industry. He has worked across different divisions of accounts department over the span of 35 years of his service at different reputable companies.

6.6.3 Mr. Ahmed Imran, Technical Director

Mr. Ahmed Imran is the Technical Director of the Company. He has more than 15 years of experience in the textile industry and have substantial experience with a demonstrated history of working in the textile industry. He did his BSc Engineering focused in Textile from National Textile University and has developed his skills in Textile Industry, Fabric

Development such as Denim, and Jacquard. He has been associated with Hira group for the last 11 years.

6.6.4 Mr. Rizwan Shahid, Head of Internal Audit

Mr. Rizwan Shahid is the Head of Internal Audit. He is a graduate from Government College Lahore and completed Article ship at M.Yousuf Adil Saleem & Co. Chartered Accountants. He has substantial knowledge in the areas of Audit as he has conducted Audits of major names in textile and non-textile sector. He has been employed at HTML since 2005 and has contributed immensely terms of improving Company’s governance, risk management and management controls.

6.6.5 Mr. Naveed Amjad, Manager MIS

Mr. Naveed Amjad is the Manager M.I.S. of the Company. He did his Master in Computer Science from NCCS and BSc. from RIPHAAH International University. He is a professional with relevant experience of over 20 years including over 16 years’ experience with Hira Group.

6.6.6 Lt. Col (Retired) Mr. Nadeem Ishtiaq, General Manager – Administration

Mr. Nadeem Ishtiaq is the General Manager Administration of the Company. He completed Masters in Political Science degree from University of Punjab. He served Pakistan Army for around 20 Years and joined HTML in 2010. Through his wide range of skills and expertise, the Company has maintained well-structured administration rules and regulations.

6.6.7 Mr. Nauman Anwar, Procurement Manager

Mr. Nauman Anwar is the Procurement Manager at HTML. He is a graduate from Allama Iqbal University Islamabad. He has over 10 years of procurement experience in Spinning and Weaving Sector. The Company is managing its raw materials efficiently under his guidance.

6.7 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 the number of directors of the Listed Company shall not be less than seven. At present, the Company’s Board of Directors consists of eight (8) directors including the Chief Executive Officer.

6.8 QUALIFICATIONS OF DIRECTORS

The qualification of a Director shall be the holding of shares in the Company for the nominal value of PKR 10.00/- at least in his own name but a director representing an interest holding shares of the nominal value of PKR 10.00/- or more shall require no share qualification, subject to the compliance with the provisions of the Companies Act, 2017.

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.

6.9 REMUNERATION OF THE DIRECTORS

Pursuant to Article 48 of the Articles of Association of the Company, the remuneration of a Director for performing extra services, including holding of the office of Chairman, shall from time to time be determined by the Board of Directors. No remuneration for attending meetings shall be paid to the regularly paid Chief Executive and the full time working directors of the Company.

6.10 BENEFITS TO THE PROMOTERS AND OFFICERS

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full time executives of the Company.

6.11 INTEREST OF DIRECTORS

The directors may be deemed to be interested to the extent of fees payable to them for attending 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. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

Shares held by Sponsors	Designation	Shares Held	Value
Mr. Muhammad Umar Virk	Chairman & Non-Executive Director	15,000	150,000
Mr. Nadeem Aslam Butt	Non-Executive Director	3,000	30,000
Mr. Umair Umar	Chief Executive Officer	603,000	6,030,000
Mrs. Umaira Umer	Non-Executive Director	242,400	2,424,000
Mr. Attaullah Khan	Executive Director	1,295,340	12,953,400
Mr. Omar Attaullah Khan	Non-Executive Director	9,444,000	94,440,000
Mr. Aamir Attaullah Khan	Non-Executive Director	7,404,660	74,046,600
Mrs. Rehana Attaullah Khan	Non-Executive Director	5,460,000	54,600,000

6.12 INTEREST OF DIRECTORS IN PROPERTY ACQUIRED BY THE COMPANY

None of the Directors of the Company have or had any interest in any property acquired by the Company, however, one Director has rented out his building for office of the Company and Board of Directors have approved the rent agreement between Director and the Company.

6.13 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 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 person who seeks to contest an election to the office of Director shall, whether he / she is a retiring Director or otherwise, file with the Company, not later than fourteen days before the date of the meeting at which elections are to be held, a notice of his / her intention to offer himself / herself for election as a Director, provided that any such person may, at any time before the holding of the election, withdraw such notice

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 Companies Act, 2017.

The present Directors of the Company were elected on December 31, 2014 for the period of three years.

6.14 VOTING RIGHTS

According to Article 37 of the Articles of Association, subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every member shall have one vote on a show of hands and in case of a poll shall have one vote of every share of which he is the holder 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.

6.15 INTERNAL AUDIT

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

1. Mr. Rizwan Shahid
2. Mr. Sajid Hafeez
3. Mr. Qasim Samad

6.16 HUMAN RESOURCE & REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel. The human resource and remuneration committee comprises of the following members.

1. Mrs. Rehana Ataullah Khan
2. Mr. Umair Umar
3. Mr. Omar Ataullah Khan

6.17 AUDIT COMMITTEE

The Board of Directors has set up an effective audit committee managed by suitable and qualified personnel. The audit committee comprises of the following members.

1. Mrs. Umaira Umer
2. Mr. Nadeem Aslam Butt

Role & Responsibilities:

- Audit committees typically review financial statements quarterly and annually in public companies.
- Members will often discuss complex accounting estimates and judgments made by management and the implementation of new accounting principles or regulations.
- Audit committees interact regularly with senior financial management such as the CFO and Controller and are in a position to comment on the capabilities of these managers.
- Should significant problems with accounting practices or personnel be identified or alleged, a special investigation may be directed by the audit committee, using outside consulting resources as deemed necessary.

6.18 BORROWING POWERS OF DIRECTORS

The Directors may from time to time at their discretion obtain as defined in the Banking Tribunal Ordinance, 1984 or otherwise raise or borrow money term capital, participatory

redeemable capital from Banks, Financial institutions or from any other institutions and secure the payment of any such sum or sums of money borrowed and to mortgage or charge it undertaking, property and to issue Participation Term Certificate, Term Finance Certificate, Musharka / Modaraba, Debenture, Debenture Stock or any type of security permitted by law and may themselves lend to the Company on security or otherwise.

In regard to the issue of securities the directors may exercise all or any of the powers of the Company arising under Sections 66 of the Companies Act and in particular the directors may issue any security as defined in Section 2(1) (61) of the Companies Act or may issue any instrument or certificate representing redeemable capital as defined in section 2(1) (55) of the Companies Act. Debentures, debenture stocks, bonds and other securities may have been made assignable free from any equities between the Company and the person to whom the same may be issued.

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any provisions as to redemption, surrender, drawings and conversion into ordinary shares, provided that the Company shall not issue any debenture of whatever nature carrying voting right at any meeting of the Company, except the debentures convertible into ordinary shares which may carry voting rights not in excess of the voting right attached to the ordinary shares of equal paid up value. Issue of debentures by the Company shall be subject to the provisions of Section 63 to 66, 122 and 123 of the Companies Act.

6.19 POWERS OF DIRECTORS

The directors shall have all the power to run and manage the Company subject to any restrictions under the Companies Act, 2017.

6.20 INDEMNITY AVAILABLE TO THE BOARD OF DIRECTORS AND OTHER EMPLOYEES

Every Director or other Officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability mentioned in Companies Act, 2017) which he may sustain or incur in or about the execution on the duties of his office or otherwise in relation thereto and no Director or other / Office shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by the said action.

6.21 PERFORMANCE FOR THE LAST THREE YEARS, OF OTHER ASSOCIATED LISTED COMPANIES UNDER THE SAME MANAGEMENT ALONG WITH FOLLOWING INFORMATION:

6.21.1 DETAILS OF HIRA TEXTILE MILLS LIMITED

Name of the Company	Hira Textile Mills Limited
Date of Incorporation;	31 January 1991
Registration Number;	L 03001
Date of Public Offer and Date of Listing;	9 th January 2007; 20 th February 2007
Amount of Issue;	312,500,000 (on a Floor Price of PKR 12.50 Per Share)
Date of Public offer; date of listing and name of the securities exchange where the company is listed;	Pakistan Stock Exchange Limited
Date of completion of project, where purpose of the issue was financing of a project;	The proceeds from the IPO will be used towards the installation of additional 7,200 (Seven Thousand Two Hundred) spindles (amounting to PKR. 295.122 Millions) increasing its total capacity from 33,792 spindles to 40,992 spindles. Date of Completion: 2 nd Quarter FY 2009

6.21.2 FINANCIAL PERFORMANCE OF HIRA TEXTILE MILLS LIMITED

<i>(Amounts in PKR '000)</i>	Period ended June 30th		
	Audited	Audited	Audited
	2017	2016	2015
Income Statement			
Net Sales	3,361,275	3,523,396	4,061,800
Gross profit	255,012	334,665	474,281
Operating Profit	161,045	234,126	347,398
Share of Profit from Hira Terry Mills Limited	102,676	91,565	78,303
Profit before Taxation	43,958	101,400	150,395
Profit after Taxation	7,455	93,538	92,338
Earnings Per Share	0.09	1.08	1.15
Gross Profit Margins (%)	7.59%	9.50%	11.68%
Operating Profit Margins (%)	4.79%	6.64%	8.55%
Net Profit Margins (%)	0.22%	2.65%	2.27%
Return on Equity	0.38%	4.81%	4.98%
Dividend/Bonus	-	-	10% (B)
Balance Sheet	2017	2016	2015
Total Liabilities	3,469,601	3,117,991	3,102,565
Total Assets	5,967,446	5,514,606	5,021,274
Share Holders Equity	1,968,630	1,945,237	1,852,817
Number of shares	86,578	86,578	78,707
Break-up Value per Share	22.74	22.47	23.54
Current Ratio (x)	0.89	0.92	0.96
Total Asset Turnover Ratio (x)	0.97	0.64	0.81
Debt to Equity (x)	1.33	0.58	1.19

6.22 CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Code of Corporate Governance of Listed Companies. Furthermore, the Company will also ensure that at least half of the board of directors will have fulfilled the requirement of the director's training by June 2018 as required under the PSX regulations.

The Company shall also encourage representation of minority shareholders on the board of directors.

6.23 INVESTMENT IN SUBSIDIARIES

The Company has not sponsored nor acquired any subsidiaries nor has any resolution been passed for sponsoring or acquiring any subsidiaries under Section 199 of the Companies Act, 2017.

6.24 INVESTMENTS IN ASSOCIATED COMPANIES

The Company has not made any investment in any of associated companies nor has any resolution been passed for investment in associated companies under Section 199 of the Companies Act, 2017.

6.25 CAPITALIZATION OF RESERVES

Hira Terry Mills Limited capitalized unappropriated profits of PKR 78,680,000 into 7,868,000 Ordinary Shares of PKR 10/- each in FY17. Other than that there has been no capitalization of reserves since the incorporation of Hira Terry Mills Limited.

6.26 REVALUATION OF FIXED ASSETS

There has been no revaluation of Hira Terry Mills Limited fixed assets since its incorporation.

7 MISCELLANEOUS INFORMATION

7.1 REGISTERED OFFICE/HEAD OFFICE

Hira Terry Mills Limited

44/E-1, Gulberg III

Lahore 54660 – Pakistan.

Phone: (042) 35714191-4

Fax: (042) 35710048

Email Address: hira@hiramills.com.pk

Plant Address

8 KM Manga Raiwind Road

Raiwind District Kasur

Marketing USA Office

266 King George Rd.

Suite A, Warren

NJ 07059, USA

7.2 BANKERS TO THE ISSUE FOR BOOK BUILDING

Dubai Islamic Bank Pakistan Limited

7.3 BANKERS TO THE ISSUE FOR GENERAL PUBLIC

Code No.	Bank
1	Albaraka Bank
2	Allied Bank Limited
3	Askari Bank Limited
4	Bank Alfalah Limited*
5	Faysal Bank Limited
6	Habib Bank Limited
7	Habib Metropolitan Bank Limited
8	MCB Bank Limited
9	Summit Bank Limited*
10	United Bank Limited*

*In order to facilitate investors, **Bank Alfalah Limited (“BAFL”)**, **Summit Bank Limited “SMBL”**, and **United Bank Limited “UBL”**, are offering Centralized E-IPO System through which investor can electronically submit application from their respective bank accounts.

7.4 BID COLLECTION CENTRE

Bid Collection Centers

Karachi Office

Contact Person: Yasir Abbas
 Direct: +92 21 32465891
 PABX: 021 111 245 111
 Fax: 021 3242 9653
 Email: yasir.abbas@arifhabibltd.com
 Address: Arif Habib Center, 23 MT Khan Road, Karachi

Contact Person: Abdul Qadir
 Direct: +92 21 32433542
 PABX: 021 111 245 111
 Fax: 021 3242 9653
 Email: abdul.qadir@arifhabibltd.com
 Address: Arif Habib Center, 23 MT Khan Road, Karachi

Lahore Office

Contact Person: Muhammad Waleed Rahmani
 Direct: -
 PABX: -
 Mobile: 0321 821 0504
 Fax: -
 Email: waleed.rahmani@arifhabibltd.com
 Address: Room # 220, Arif Habib Limited, Lahore Stock Exchange, Lahore

Islamabad Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Quetta Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Peshawar Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Gilgit/Baltistan Office

Contact Person:
 Direct:
 Mobile:
 Email:
 Address:

Azad Kashmir Office

Contact Person:
 Direct:
 Mobile:
 Email:
 Address:

7.5 BANKERS OF THE COMPANY

3. Habib Bank Limited
4. United Bank Limited
5. MCB Bank Limited
6. Habib Metropolitan Bank Limited
7. Bank Alfalah Limited
8. Askari Bank Limited
9. Faysal Bank Limited
10. National Bank of Pakistan
11. Bank of Punjab.

7.6 AUDITORS OF THE COMPANY

Deloitte Yousaf Adil

Chartered Accountants
Cavish Court, A-35, Block 7 & 8, K.C.H.S.U.
Shara-e-Faisal, Karachi.

7.7 LEGAL ADVISOR OF THE COMPANY AND THE ISSUE

Salman Akram Raja.

Raja Mohammad Akram & Co,
Advocated & Legal Consultants,
33-C Main Gulberg, Lahore.

7.8 CONSULTANT TO THE ISSUE

AKD Securities Limited

602, 6th Floor, Continental Trade Centre,
Block 8, Clifton, Karachi.
Phone: (021) – 111-253-111
Fax: (021) – 3586 7992
www.akdsecurities.net

7.9 COMPUTER BALLOTTER AND SHARES REGISTRAR

Vision Consulting Limited

3-D, LDA Flats, Lawrance Road
Lahore, Pakistan
Tel: +92 423 6283096-97
Fax: +92 423 6312550
Email: info@vcl.com.pk

7.10 BOOK RUNNER TO THE ISSUE

Arif Habib Limited

Arif Habib Center
23, MT Khan Road, Karachi
Tel: 021-32465891
Fax: 021-32429653
Website: www.arifhabibltd.com

7.11 MATERIAL CONTRACTS/DOCUMENTS

7.11.1 DETAILS OF CIVIL AND MECHANICAL WORKS

Nature of the Agreement	Party to the Agreement	Date of the Agreement	Date of Expiration	Purpose	Consideration (PKR)
Civil Works	Faizan & Co.	15-Jul-16	25-Nov-17	Extension of Stitching & Dyeing unit with local Material (Ground Floor)	101,417,100.00
Civil Works	Faizan & Co.	5-Jan-17	18-Dec-17	Extension of Stitching & Dyeing unit with local material (Mezzanine Floor)	76,843,546.70
Civil Works	Artisan Engineering	28-Jul-16	-	Erection and paint work of Zamil PEB of Dyeing Unit extension	4,178,720.00
Civil Works	Artisan Engineering	28-Jan-17	-	Erection and paint work of Zamil PEB Mezzanine of Stitching Unit	8,983,600.00
Civil Works	Chishty Bros	24-Jun-16	-	Consultancy agreement for all Civil Work at Mill	8,276,380.00

7.11.2 DETAILS OF RENTAL AGREEMENTS

Premises Rental Agreement	Mr. Umair Umar	1-Jul-17	30-Jun-18	Rental Agreement of HTML's Premises	450,000.00
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7.11.3 DETAIL OF SHORT TERM FINANCING FACILITY

Financial Institution	Nature of Facility	Facility Amount	Pricing	Date Sanctioned	Expiry/Review Date
		(PKR Mn)			
NIB Bank Ltd.	Pre- Shipment Finance Part 1 (FAPC-1)	200.00	SBP rate + 1%	15-Dec-16	30-Nov-17
NIB Bank Ltd.	FBP Discrepent documents/Financing of export Bills	100.00	3 MK + 1.75%	15-Dec-16	30-Nov-17
Habib Bank Ltd.	CF-Pledge Facility	50.00	1 MK + 3.00%	13-Dec-16	31-Mar-17
Habib Bank Ltd.	RF Facility	10.00	1 MK + 3.00%	13-Dec-16	31-Mar-17
Habib Bank Ltd.	FAPC/ERF-I Facility	160.00	SBP rate + 1%	13-Dec-16	31-Mar-17
National Bank of Pakistan	SBP-ERF Part-I & Part-II/Packing Finance (Own Sources) Inter-Changeable Limits	550.00	SBP rate + 1%	1-Mar-17	31-Dec-17
National Bank of Pakistan	Cash Finance Pledge	100.00	3 MK + 2.00%	1-Mar-17	31-Dec-17
Bank of Punjab	FAFB/FDBP (Discrepent)/Discounting/S BP Post Shipment	425.00	Matching Tenor KIBOR + 2.75%	22-Sep-17	30-Apr-18
Bank of Punjab	Pre-Shipment Finance under SBP ERF Part I/Part II	150.00	SBP rate + 1%	22-Sep-17	30-Apr-18

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Habib Metropolitan Bank Ltd.	ERF-I/FAPC/FE-25	125.00	SBP rate + 1%	16-Oct-17	30-Sep-18
Bank Alfalah Ltd.	FAPC	100.00	3 MK + 2.50%	05-Jun-17	31-Mar-18
MCB Bank Ltd.	ERF-I	150.00	SBP rate + 1%	2-Mar-17	31-Dec-17
MCB Bank Ltd.	FAFB/FBP (clean discrepant/Contract)	150.00	1 MK + 2.00%	2-Mar-17	31-Dec-17
Askari Bank	Finance Against Foreign Bill	100.00	3 MK + 2.00%	18-May-17	30-Apr-18
United Bank Ltd.	ERF-I/FAPC	75.00	SBP rate + 1%	7-Sep-17	31-Jan-18

7.11.4 DETAIL OF LONG TERM FINANCING FACILITY

Financial Institution	Nature of Facility	Facility Amount (PKR)	Pricing	Date Sanctioned	Expiry/Review Date
United Bank Ltd.	SBP LTFF	20.00	SBP Rate + Spread	29-Nov-12	5 Years
National Bank of Pakistan	Demand Finance II/ SBP LTFF	200.00	3 MK + 2.50%	22-Oct-15	7 Years
Bank of Punjab	Demand Finance II/ LTFF	67.39	3 MK + 5.00 %	22-Jun-16	7 Years
Askari Bank Ltd.	LTFF	140.00	SBP Rate + 3.00%	18-May-17	10 Years
Saudi Pak Industrial & Agricultural Co. Ltd.	Long Term Finance Facility	350.00	6 MK +2.75%	19-Sep-16	7.5 Years

7.11.5 DETAIL OF NON FUNDED FINANCING FACILITY (SHORT TERM)

Financial Institution	Nature of Facility	Facility Amount	Mark up Commission	Date Sanctioned	Expiry/Review Date
		(PKR Mn)			
MCB Bank Ltd.	LC(s) F/I	30.00	TPMR+5.00%	2-Mar-17	31-Dec-17
NIB Bank Limited	Opening Sight Documentary Letters of Credit (SLC)	30.00	0.10 % per Quarter	15-Dec-16	30-Nov-17
National Bank of Pakistan	Import LC Sight	200.00	3 MK +2.50%	1-Mar-17	31-Dec-17

7.11.6 DETAIL OF RELATED PARTY AGREEMENTS

Related parties of from the companies perspective comprises associated undertakings, sponsors, directors and their family members, key management personal and post-employment benefit plan (provident fund trust).

Related Party	Nature of Relationship
Hira Textile Mills Limited	Associated Undertakings

- Hira Terry Mills Limited has a receivable outstanding from Hira Textiles Mills Limited (a related party) amounting to PKR 281.4 Million as at 30 June 2017 audited accounts and carries a

markup at the rate of 9.51% to 9.72% per annum. Company has rented office premises under operating lease agreement with directors.

7.12 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum, copies of agreements 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.

7.13 LEGAL PROCEEDINGS

- There are no material legal proceeding pending by the regulatory authority or any entity against the Company except for those disclosed in the audited financial statements.
- The Company has disclosed, it has not initiated any major legal proceedings against any entity.

7.14 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alias, sets forth 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.

7.15 FINANCIAL YEAR OF THE COMPANY

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

8 APPLICATION AND ALLOTMENT INSTRUCTIONS**8.1 ELIGIBLE INVESTORS INCLUDE**

1. Pakistani citizens resident in or outside Pakistan or Persons holding two 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.

8.2 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**8.3 COPIES OF THE PROSPECTUS**

Copies of this Prospectus and applications forms can be obtained from members of the Pakistan Stock Exchange, the Bankers to the Issue and their Branches, the Consultant to the Issue and Book Runner, and the registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following website: www.arifhabibltd.com, www.akdsecurities.net and www.hiramills.com.pk.

The applicants are required to complete the relevant sections of the application in order to get 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.

8.4 NAME(S) AND ADDRESS (ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND NOT TO BE ABBREVIATED**8.5 ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.****8.6 APPLICATIONS MADE BY INDIVIDUAL INVESTORS**

- I. In case of individual investors, a 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.
- II. 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 the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

8.7 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- I. 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 in the country of applicant's residence can attest copies of such documents.
- II. 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.

8.8 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 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 "IPO of Hira Terry Mills Limited" 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.

8.9 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 **2.2.17** of this Prospectus

8.10 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 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 multiples of 500 shares. 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 the respective CDS accounts of the successful applicants.

8.11 BANKERS TO THE ISSUE FOR BOOK BUILDING PORTION

Dubai Islamic Bank Pakistan Limited

8.12 BANKERS TO THE ISSUE FOR GENERAL PUBLIC

Code No.	Bank
1	Albaraka Bank
2	Allied Bank Limited
3	Askari Bank Limited
4	Bank Alfalah Limited*
5	Faysal Bank Limited
6	Habib Bank Limited
7	Habib Metropolitan Bank Limited
8	MCB Bank Limited
9	Summit Bank Limited*
10	United Bank Limited*

*In order to facilitate investors, **Bank Alfalah Limited (“BAFL”)**, **Summit Bank Limited (“SMBL”)**, and **United Bank Limited (“UBL”)**, are offering Centralized E-IPO System through which investor can electronically submit application from their respective bank accounts.

8.13 CODE OF OCCUPATION

Code No.	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Others

8.14 NATIONALITY CODE

Code No.	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

8.15 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:

iii. 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 Offer 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 of the 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.

iv. e-IPO facilities by Bankers to the Issue:

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

The accountholders of BAFL can use BAFL net-banking to submit their applications online via link: <https://netbanking.bankalfalah.com>

The accountholders of SMBL can use SMBL net-banking to submit their applications online via link: <https://ib.summitbank.com.pk>

The accountholders of UBL can use UBL net-banking to submit their applications online via link: <http://www.ubldirect.com/corporate/ebank>

Investors who are registered with CES or account holders of BAFL, SMBL of 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-YY**.

9 REGISTRATION & BIDDING FORMS

9.1 INSTRUCTIONS FOR REGISTRATION AND BIDDING

REGISTRATION PERIOD OPENS FROM DD-MM-YYYY TO DD-MM-YYYY, 2017 (EXCLUDING WEEKENDS) BETWEEN 09:00 AM TO 05:00 PM AND BETWEEN 09:00 AM TO 03:00 PM ON DD-MM-YYYY, 2017. BIDDING PERIOD OPENS FROM DD MM, 2017 TO DD MM, 2017 BETWEEN 09:00 AM TO 05:00 PM

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED (“HTML” or the “Company”) THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE

The Present Issue comprises of 25,000,000 Ordinary Shares (34.62% of the Total Post-IPO Paid-up Capital of the Company with Face Value of PKR 10.00/- each).

Book Building Portion of the Issue comprises of 18,750,000 Ordinary Shares (75% of the Total Issue Size) at a Floor Price of PKR 23.00/- per share (including a premium of PKR 13.00/- per share)

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 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 Bid revisions during the Bidding Period from 09:00 AM to 05:00 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 OR WITHDRAWAL 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 Dubai Islamic Bank Limited and evidence to be submitted to the Book Runner) into the respective Book Building account , A/C No. XXXXXXXX, titled “IPO of Hira Terry Mills Limited - Book Building, maintained at XXXXX Bank, XXXXXX 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 Bidding instrument at the time of Bid submission.**
6. **The National Taxation Number (“NTN”) of Hira Terry Mills Limited is 2489879-1. 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 “Hira Terry Mills Limited - Book Building.” at any of the following Bidding centers:**

Bid Collection Centers

Karachi Office

Contact Person: Yasir Abbas
 Direct: +92 21 32465891
 PABX: 021 111 245 111
 Fax: 021 3242 9653
 Email: yasir.abbas@arifhabibltd.com
 Address: Arif Habib Center, 23 MT Khan Road, Karachi

Contact Person: Abdul Qadir
 Direct: +92 21 32433542
 PABX: 021 111 245 111
 Fax: 021 3242 9653
 Email: abdul.qadir@arifhabibltd.com
 Address: Arif Habib Center, 23 MT Khan Road, Karachi

Lahore Office

Contact Person: Muhammad Waleed Rahmani
 Direct:
 PABX:
 Mobile: 0321 821 0504
 Fax:
 Email: waleed.rahmani@arifhabibltd.com
 Address: Room # 220, Arif Habib Limited, Lahore Stock Exchange, Lahore

Islamabad Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Quetta Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Peshawar Office

Contact Person:
 Direct:
 PABX:
 Mobile:
 Fax:
 Email:
 Address:

Gilgit/Baltistan Office

Contact Person:
 Direct:
 Mobile:
 Email:
 Address:

Azad Kashmir Office

Contact Person:
 Direct:
 Mobile:
 Email:
 Address:

10. **CASH SHOULD 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 8 ABOVE. REGISTERED INVESTORS CAN ALSO PLACE THEIR BIDS DIRECTLY VIA THE ONLINE PORTAL BY VISITING www.bkb.psx.com.pk.**
12. A Bid by a potential investor can be a "Limit Bid", or a "Step Bid", which are explained below.

- **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 explicitly states a price at which he/she/it is willing to subscribe to the shares. For instance, a Bidder may Bid for 2 million shares at PKR 25 per share than the total application money would amount to PKR 50 million. The Bid Amount will be PKR 50 million since the Bidder has placed a Limit price of PKR 25 per share, this indicates that he/she/it is willing to subscribe up to PKR 25 per share.

- **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 1,000,000/- and the amount of any Step shall also not be less than PKR 1,000,000/-.**

For instance, a Bidders place a number of Limit Bids at different increasing price levels. The Bidders may, for instance, make a Bid for 2.0 million shares at PKR 25.00 per share, 1.5 million shares at PKR 28.00 per share and 1.0 million shares at PKR 30.00 per share in essence the investor has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 122Mn. In case of Individual Investor, the Margin Money will be 100% i.e. PKR 122Mn whereas in case of Institutional Investor the Margin Money shall be 25% of the Bid amount i.e. PKR 30.5Mn.

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.
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) working day** of the closing of the Bidding Period, the Strike Price and the number of shares provisionally allotted to each of them.
17. The 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, if required, as consideration against allotment of shares.
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 issued only after the end of the public subscription, in the form of book-entry to be credited in their respective accounts. All the bidders shall, therefore, provide number of their accounts.
20. 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 their



PROSPECTUS | HIRA TERRY MILLS LIMITED

Bid Money within one (1) working day of the close of the bidding period and the refunds to such bidders shall be made within three (3) working days from the close of the bidding period.



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

9.2 REGISTRATION FORM

 Hira Terry Mills Limited	Book Runner 	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT						
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;">Registration Dates</td> <td>[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Dates</td> <td>[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Form No.	
Registration Dates	[Month] [Date], 2017 to [Month] [Date], 2017							
Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017							
Bidding Form No.								

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE.

ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	

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 FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.00% APPLIES TO FILERS INSTEAD OF 20.00% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.



Payment Details:	Payments to be made in favor of "Hira Terry Mills Limited -- Book Building Account"		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	
CDC Details for Investor A/C			

I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.

Signature of Bidder: _____



9.3 DUPLICATE REGISTRATION FORM

 Hira Terry Mills Limited	Book Runner 	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Registration Dates</td> <td>[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Dates</td> <td>[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Form No.	
Registration Dates	[Month] [Date], 2017 to [Month] [Date], 2017							
Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017							
Bidding Form No.								

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF WPKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	

PLEASE TICK THE APPROPRIATE BOX

<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor	<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreigner	Nationality (If other than Pakistani)
--	--	---

*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 15.00% APPLIES TO FILERS INSTEAD OF 20.00% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.



Payment Details:	Payments to be made in favor of "Hira Terry Mills Limited -- Book Building Account"		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub 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 DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Duplicate Registration Form.

Signature of Bidder: _____



9.4 BIDDING FORM

 Hira Terry Mills Limited	Book Runner 	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Bidding Dates</td> <td style="width: 30%;">[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Form No.	
Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017					
Bidding Form No.						

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- 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	
Address	Cell #		Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)
	Land Line #		Non-Resident	<input type="checkbox"/>	
			Foreigner	<input type="checkbox"/>	
Fax #	E-mail:		CNIC #		
			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 15.00% APPLIES TO FILERS INSTEAD OF 20.00% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No []
 In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:

Title of Account	
Account Number	
Bank Name	
Branch Name & Address	

The Directors of Hira Terry Mills Limited
 44-E/1, Gulberg-III,
 Lahore, Pakistan
 Dear Sir,
 On the basis of Prospectus by Hira Terry Mills Limited for the Initial Public Offering of Shares, I/we hereby Bid for subscription of Shares of the Company as under:

Bid Details

	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Bid Option (Please tick)			
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			

Important Instructions:

- 1) Bids should be placed for a minimum amount of **PKR 1,000,000/-**. It should also be noted that no. 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 1,000,000/-**.
- 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to **PKR 1,000,000/-** at least.
- 3) Any Bid received below the Floor Price will not be accepted by the Book Runner.
- 4) An investor shall not be allowed to withdraw or downward revise their bids.
- 5) An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price.

Signature of Bidder: _____



PROSPECTUS | HIRA TERRY MILLS LIMITED

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited (“PSX”), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. 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 (03) 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 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 its 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 Issuer, the Book Runner, SECP and the Stock Exchange (PSX) reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FOREIGNER; 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.

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 **“Hira Terry Mills Limited-Book Building Account”**. For online transfer facility (pay order or demand draft may be deposited at any branch of Dubai Islamic Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # [●] being maintained at Dubai Islamic Bank – [Branch], [City] with the Account Title **“Hira Terry Mills Limited – Book Building Account”**
- 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 instruments 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 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit www.bkb.psx.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. 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 or withdrawal of the bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: _____





For investor education please visit www.jamapunji.pk
 Jama Punji is an Investor Education Initiative of the
 Securities & Exchange Commission of Pakistan

To be filled in by the Book Runner:


Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

9.5 ADDITIONAL PAYMENT FORM

 Hira Terry Mills Limited	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT			
	 ARIF HABIB LIMITED	<table border="1"> <tr> <td>Bidding Dates</td> <td>[Month] [Date], 2017 to [Month] [Date], 2017</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017	Bidding Form No.
Bidding Dates	[Month] [Date], 2017 to [Month] [Date], 2017				
Bidding Form No.					



INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	CNIC #	Cell #	
	NTN	Land Line #	
Client ID: (ID generated and e-mailed at the time of bid placement)	Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)
	Non Resident	<input type="checkbox"/>	
	Foreigner	<input type="checkbox"/>	
Additional Payment Details			
Payments to be made in favor of "Hira Terry Mills Limited -- Book Building Account"			
Amount in Figures	Instrument #	Instrument Date	Margin %age
Banker's Name, Address & Branch			
<p>1. It may 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;</p> <p>2. I DECLARE THAT I have read all the conditions in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Additional Payment Form.</p>			
Signature of Bidder: _____		 <small>سوانہ کارن سمنجھنداری سائنس</small> <small>For investor education please visit www.jamapunji.pk Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan</small>	

To be filled in by the Book Runner:					
Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

9.6 BID REVISION FORM

 Hira Terry Mills Limited	Book Runner  ARIF HABIB LIMITED	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT
		Bidding Dates: [Month] [Date], 2017 to [Month] [Date], 2017
		Bidding Form No.

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF HIRA TERRY MILLS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 23.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 13.00/- 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		
Address	Cell #	Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)	
	Land Line #	Non-Resident	<input type="checkbox"/>		
		Foreigner	<input type="checkbox"/>		
Fax #	E-mail:	CNIC #			
		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 15.00% APPLIES TO FILERS INSTEAD OF 20.00% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No []
 In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:

Title of Account	
Account Number	
Bank Name	
Branch Name & Address	

The Directors of Hira Terry Mills Limited
 44-E/1, Gulberg-III,
 Lahore, Pakistan
 Dear Sir,
 On the basis of Prospectus by Hira Terry Mills Limited for the Initial Public Offering of Shares, I/we hereby Bid for subscription of Shares of the Company as under:

Bid Details			
	No. of Shares	Bid Price Per Share	Total Amount
Bid Option (Please tick)	(In Figures)	(In Figures)	(In Figures)
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			

Important Instructions:

- 6) Bids should be placed for a minimum amount of **PKR 1,000,000/-**. It should also be noted that no. 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 1,000,000/-**.
- 7) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to **PKR 1,000,000/-** at least.
- 8) Any Bid received below the Floor Price will not be accepted by the Book Runner.
- 9) An investor shall not be allowed to withdraw or downward revise their bids.
- 10) **An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price.**



Signature of Bidder: _____

PROSPECTUS | HIRA TERRY MILLS LIMITED

10 APPLICATION 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 FOREFIETED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015

۱۰ فرم درخواست اشتراک
 ۲۰۱۵ء کے تحت سیکورٹیز ایکٹ ۲۰۱۵ کے سیکشن ۸۷(۷) کے تحت ایسی درخواستیں جو جھوٹی یا غلط ہوں گی
 ۲۰۱۵ء کے سیکشن ۸۷(۸) کے تحت ضبط کی جا سکتی ہیں۔



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

Hira Terry Mills Limited ("HTML")

APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of Hira Terry shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.4 on the reverse hereof)

The Directors,
44-E/1, Gulberg - III
Lahore, Pakistan
www.hiramills.com.pk

CDC PARTICIPANT / ACCOUNT HOLDER ID	SUB ACCOUNT NUMBER	HOUSE A/C NO.

OR

CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.

SUBSCRIPTION DATE
From DD/MM/2017 to DD/MM/2017 during banking hours

For Brokers	Broker's Stamp & Code
PSX	Code

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

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

For Bankers	Banker's Stamp
Bank Code	Branch Code
Application Serial 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 all shares to me/us pursuant to 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.

For Pakistanis	
Resident	01
Non-resident	02

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)	Mr. Ms. Mrs. Co.	Please Tick	B L O C K - L E T T E R S																									
Father's/Husband's Name (as per CNIC)																												
Identity Number (CNIC/ Passport/ Registration No.)																												
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 TAX RATE OF 15.0% APPLIES TO FILERS AND TAX RATE OF 20.0% APPLIES TO NON FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.																												
Full Address																												
Phone No., if any																												
Bank Account No.																												
Branch Name & Address																												
Additional Information - For Non-Resident Pakistanies and Foreign Investors Only																												
Place of Issue of Passport															Date of Issue of Passport (DD-MM-YYYY)													
Corporate Business Letter enclosed	Yes		No		Nationality Code												Country of Residence											

5) FOR JOINT HOLDER, IF ANY

b) Name in Full (as per CNIC)	Mr. Ms. Mrs. Co.	Please Tick	B L O C K - L E T T E R S																									
Identity Number (CNIC/ Passport/ Registration No.)																												

6) DIVIDEND MANDATE (Optional): Mark tick [✓] in the appropriate boxes Yes [] No []

Incase the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the company, if any, is credited directly in his/it bank account, instead of issue of dividend warrants, then please fill in the following boxes:

Title of Account																										
Account Number																										
Bank Name																										
Branch Name and Address																										

(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

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

Bankers to the Issue's Provisional acknowledgement of application for Shares of Hira Terry Mills Limited.

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

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

Signature & Rubber Stamp of
Receiving Bank

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

PROSPECTUS | HIRA TERRY MILLS LIMITED

GENERAL INSTRUCTIONS

- Eligible investors includes:**
 - Pakistani citizens resident in or outside Pakistan or Persons holding two 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.
- APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING ATLEAST 62 GM.**
- Copies of the Prospectus and application forms can be obtained from the TREC holders of Pakistan Stock Exchange, the Bankers to the Issue and their branches, Consultant to the Issue, Book Runner and the registered office of the Company. The Prospectus and the application forms can also be downloaded from the website: www.hiratex.com.pk, www.arifhabibtd.com & www.akdsecurities.net**
- The Applicants are required to complete the relevant sections of the application to get the share in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares is allowed ONLY in the applicant's own CDC Account.
- Name(s) and addresses 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.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - In case of individual investors, an attested photocopy of CNIC (in case of RPs)/Passport (in case of NRPs and FIs) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
 - Original CNIC/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**
 - 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 Gazetted Officer, Councillor, 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.
 - Attested photocopies of the documents mentioned in 8(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.
- Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- 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/Passport. The shares/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 check 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.
- 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 "IPO of Hira Terry Mills Limited - General Public Account" and crossed "A/C PAYEE ONLY".
- 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.
- The applicant should have at least one bank account with any of the commercial banks. 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 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.
- 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.
- 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.**
- 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 check, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.**

عوام و اس کو مطلع کیا جاتا ہے کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن نمبر (7) 87 کے تحت کمپنی یا جعلی درخواستیں دینا ناقص و ناجرم ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن 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 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.
- Foreign / Non - resident investors should follow payment instruction given in Section 2.2.17 and 2.3.6 of the Prospectus.

BASIS OF ALLOTMENT

- The minimum amount of application for subscription of 500 shares.
- 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.
- 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.
- 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.**
- The Company will dispatch shares to successful applicants through their Bankers to the Issue or credit the respective CDS accounts of the successful applicants (as the case maybe).

BANKERS TO THE OFFER

Code	Name of Banks	Code	Name of Banks
01	Albaraka Bank	08	MCB Bank Limited
02	Allied Bank Limited	09	NIB Bank Limited
03	Askari Bank Limited	10	Summit Bank Limited*
04	Bank Alfalah Limited*	11	United Bank Limited*
05	Faysal Bank Limited		
06	Habib Bank Limited		
07	Habib Metropolitan Bank Limited		

9. 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, Bank Alfalah Limited "BAFL", Summit Bank Limited "SMBL" and United Bank Limited "UBL" are offering electronic submission of application (e-IPO) to its account holders. BAFL account holders can use BAFL internet banking to submit their application via link <https://netbanking.bankalfalah.com>. UBL account holders can use UBL Net banking to submit their application via link <http://www.ublirect.com/corporate/bank>. SMBL account holders can use SMBL internet banking to submit their application via link <https://ib.summitbank.com.pk>. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at 12:00 midnight DD-MM-2017

8. OVERSEAS BANKERS TO THE OFFER

Code	Name of Banks	Code	Name of Banks
01	n/a	06	n/a
02	n/a	07	n/a
03	n/a	08	n/a
04	n/a	09	n/a
05	n/a	10	n/a

10. NATIONALITY CODE

Code	Name of Country	Code	Name of Banks
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:

HIRA TERRY MILLS LIMITED		AKD SECURITIES LIMITED		ARIF HABIB LIMITED	
Mr. Usman Khalid +92 42-35714191 (144) usman.khalid@hiramills.com	Mr. Asif Anwar +92 42-35714191 (122) asif.anwar@hiramills.com	Mr. Waleed Zafar +92 21 3582 2832 waleed.zafar@akdsecurities.net	Ms. Zainab Abid +92 21 3537 4292 zainab.abid@akdsecurities.net	Abdul Qadir +92 21 3243 3542 abdul.qadir@arifhabibtd.com	Mr. Tanveer Ahmed +92 21 3246 0741 tanveer.ahmad@arifhabibtd.com

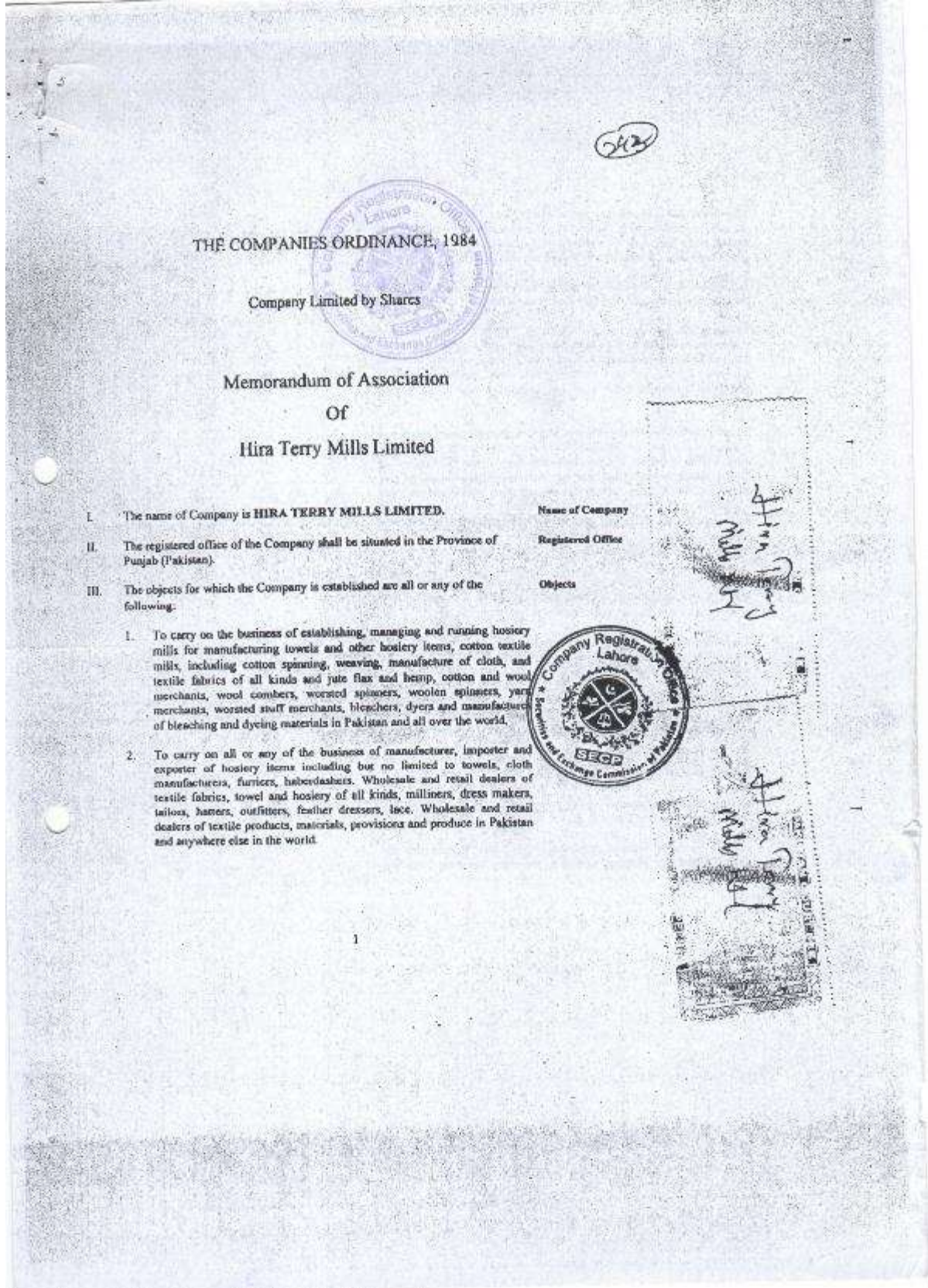
11 SIGNATORIES TO THE PROSPECTUS

Mr. Muhammad Umar Virk	-Sd-
Mr. Nadeem Aslam Butt	-Sd-
Mr. Umair Umar	-Sd-
Mrs. Umaira Umer	-Sd-
Mr. Attaullah Khan	-Sd-
Mr. Omar Attaullah Khan	-Sd-
Mr. Aamir Attaullah Khan	-Sd-
Mrs. Rehana Attaullah Khan	-Sd-

WITNESSES

Name: Asif Anwar
Designation: Finance Executive
CNIC:
Address:
Date:

Name: Muhammad Amjad
Designation: Finance Executive
CNIC:
Address:
Date:



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3. Throughout Pakistan and throughout the world, to weave and otherwise manufacture, buy and sell and import and export and deal in all kinds of hosiery items including but not limited to towels, yarn, cloth and other goods and fabrics, leather textile, napped, felted or looped.
4. To install setup and operate power generation projects for own consumption and for sale and distribution of electricity.
5. To carry on business of manufacturers, buyers, sellers, spinners, weavers, ginners, pressers, packers, balers, processors and dealers in all kinds of yarn, fabrics, fibrous substance and material, whether natural or synthetic, threads, polyester synthetic, silk, rayon, nylon and worsted yarns and fabrics of every kind and every type and textile of any varieties.
6. To carry on the business of spinners, weavers, manufacturers, balers and pressers of jute, jute cuttings, jute rejections, hemp, cotton, flax and any other fibrous materials and the cultivation thereof, and the business of buyers, sellers, exporters and importers, dealers in jute, jute cuttings, jute rejections, towels, hemp, cotton, flax and any other fibrous materials and of goods and merchandise made thereof, and to transact all manufacturing or curing and preparing, processing and other business that may be necessary or expedient and to purchase and vend the raw material and manufactured articles.
7. To carry on the business of wool in all its respective branches of spinners, weavers, sheers, pickers, sorters, staplers, winders, carders balers, pressers, combers, bleachers and dyers.
8. To purchase, comb, prepare, spin, dye and deal in cotton, wool, rayon, silk, jute, flax, hemp and any other fibrous materials within and outside Pakistan.
9. To carry on the business of manufacturers, importers and exporters of textile, leather and other garments of all kinds and to purchase and vend the materials used in the manufacture of garments.
10. To carry on the business of woolen hosiery products, in all its various aspects including its production and trading.
11. To carry on the business of making, weaving, producing all and every type of knitwear and to buy, sell, import, export and deal in knitwear.
12. To carry on the business of duvets, carpets, bed linen manufacture and dyeing, bleaching, printing, combing, preparing, spinning, weaving,



manufacturing, selling, buying and otherwise dealing in yarn, linen, cloth, drees, carpets and other goods and fabrics made through and by cotton, polyester, silk, jute, wool and other materials.

13. To carry on the business of manufactures, importers, exporters, buyers, sellers and dealers in waterproof materials and fabrics, and tarpaulins.
14. To supply yarn, materials to loom weavers, to assist, employ and hire their services, and to buy, sell and deal in their produce and to market such products.
15. To erect, maintain, alter, extend and purchase plant and machinery for the purpose of ginning, preparing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, printing, or otherwise working any of the fabrics and materials and to erect, maintain, alter, extend, purchase and sell mills, plant and machines, factories, warehouses, engine houses, dwelling houses of employees, tanks and other buildings on any land purchased, leased or otherwise acquired by, to or for the Company or for any of the purpose connected with the business of Company.
16. To carry on the business of ginning and pressing cotton and for that purpose buying ready and or forward cotton-pods (plutty) and ginning cotton and generally to carry on ready and / or forward cotton business in all its branches including advancing money on the credit of cotton (plutty), giving advance for purchase of cotton, cotton-pods (plutty), cotton seed, buying, selling, making and preparing for market cotton in any form loose or in bales and buying and selling all products of cotton as cotton-seeds, linters etc., in any manners as may be deemed by the Company convenient and profitable and doing all allied business directly or indirectly connected with the said line of business.
17. To resell, exchange and repurchase, mortgage, let out for hire, cultivate or otherwise deal in lands, buildings, machinery engines, plants and materials and other things necessary or useful for the purpose of the Company and also to purchase, sell or contract for the purchase of sale for immediate or future delivery and either for cash or on credit of cotton, polyester, wool, silk, hemp, flax, jute, yarn, waste and cloths of various fibers and other fibrous articles. Iron and other metals and all stores and materials, chemicals and things necessary or useful for ginning, preparing, combing, spinning, weaving, manufacturing, dyeing, mercerizing, printing and bleaching purposes, also metals, stores and other articles and things for the use of any license or invention or for the exercise of any methods of process useful for the Company's business and all other products of the Company.



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18. To acquire and take over the ownership and all assets and liabilities of any business, firm or corporation in line with a view thereto to enter into an arrangement and carry into effect the same with or without modification.
19. To carry on all kinds of contracts of Private Sector, Government, Local Bodies and other authorities.
20. To adopt such means of making known the products and business of the Company as may seem expedient and in particular by advertisement and publicity in the press or otherwise Exhibitions, publication of books and periodicals and by granting prizes, rewards and donations.
21. To purchase or acquire, protect, prolong and renew, whether in Pakistan or elsewhere any patent rights, brevets, invention, licenses, protections, concessions, and the like, which may appear likely to be advantageous or useful to the Company and to use, form to account and / or manufacture under or grant license or privileges, in respect of the same and to spend money in experimenting upon and testing in or improving or seeking to improve any patents, inventions or rights which the Company may acquire or proposes to acquire.
22. To employ experts, to investigate and examine the condition, prospects, value, character, and circumstances, of any business or undertaking or undertakings and generally of any assets, property or rights in which the company may be interested.
23. To invest, acquire and hold shares, stocks, debentures, bonds, obligations securities, issued or guaranteed by any company or person in Pakistan or abroad or issued or guaranteed by any Government, sovereigns, commissioners, Public body or authority, or otherwise but not to act as investment or banking Company.
24. To borrow, raise or secure the payments of money by the issue of debentures, debenture-stock, bonds, obligations and securities of all kinds, or on personal security or without security and to frame, constitute, and secure the same as may seem expedient, with full power to make the same transferable by delivery or by instruments of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise on the undertaking of the Company or upon any specific property and rights, present and future of the Company.
25. To pay for any property or rights acquired by the Company, either in cash, or fully paid shares or by the issue of securities, or partly in one mode and partly in another and generally on such terms as may be determined.



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26. To draw, make, accept, endorse, discount, execute and issue cheques, promissory note, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments but not to act as banking company.
27. To support and subscribe to any charitable or public object including donations to charitable and benevolent foundations and any institution, society or club or for any purpose which may be for the benefit of the Company or its employees, or may be connected with or for the benefit and welfare of any town or place where the company carries on business, to give pensions, gratuities or charitable aid to any persons who may have been directors of or may have served the Company, or the wives, children, or other relatives or dependents of such persons, to make payments towards insurance, and to form and contribute to Provident and benevolent funds for the benefit of any such persons, or of their wives, children, or other relatives, or dependents.
28. To invest and deal with the surplus moneys of the Company and immediately required in such lawful form as may be thought expedient.
29. To acquire and carry on all or any part of the business or property and undertake any liabilities of any person, firm, association, or company.
30. To open an account or accounts with any Bank or Banks and to deposit and to withdraw moneys from such account or accounts.
31. To promote and form and to be interested in and to take, hold and dispose of shares and securities in any other company having objects altogether or in part similar to those of this Company, or carrying on any allied business capable of being conducted so as directly or indirectly to benefit this Company and to transfer to any such company all or any of the property, rights and liabilities of this Company and to subsidize or otherwise assist any such company.
32. To undertake and execute any trust, the undertaking whereof may seem desirable and either gratuitously or otherwise.
33. To procure the Company to be registered or recognized in any foreign country or any place for the promotion of any business of the Company.
34. To enter into partnership or arrangement in the nature of partnership, co-operation or union of interest, with any person or persons, company or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which the Company is authorized to carry on or conduct of from which the Company would or might derive any benefit.



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35. To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such considerations as the company may think fit and in particular for shares, debentures, debenture stock or securities of any other Company whether promoted by this Company for the purpose or not; and to improve, manage, develop, exchange, lease, dispose off, turn to account, or otherwise deal with all or any part of the property and rights of the Company.
36. To pay all the preliminary expenses of any kind and incidental to the formation and incorporation of the Company out of the funds of the Company.
37. To distribute any of the Company's property among the members in specie or in any manner whatsoever.
38. To take part in the formation, management, subleasing, supervision or control of the business or operations of any Company or undertaking and for the purpose to act as trustees, administrators, accountants, secretaries, or in any other capacity and to appoint and remunerate any such administrators, secretaries or accountants or other experts or agents but not to act as Managing agents.
39. To advance money to staff members, customer and other dealings with the company with or without security upon such terms as may deem expedient.
40. To guarantee to performance of a contract and obligations of the company in relation to the payment of any loan, debenture, stock bonds, obligations or securities issued by or in favour of the company and to guarantee the payment or return on such investments or of dividends on any share of the company.
41. To underwrite, acquire or hold any shares, stocks, debentures, debenture stocks, bonds or securities by original subscriptions, participation in syndicate, tender, purchase, exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
42. To create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, insuring, improving, extending or maintaining any of the property of the Company or for any other purpose conducive in the interests of the company.
43. To issue any shares of the Company at par or at premium or at a discount subject to any permission required by law.



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44. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of or under-writing or any of the shares or debentures of the Company's capital or any debentures, debenture-stocks or other securities of the Company, or in or about the formation and promotion of the Company or the conduct of this business.
45. To enter into any arrangement with any Government or authority, supreme, municipal, local or other authority, or to obtain from any such Government or authority, or rights, powers and privileges which the Company may think fit to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
46. To do all or any of the above things in any part of the world and either as principals agents, trustees, or otherwise, and either alone or in conjunction with others and by or through agents, subcontractors, trustees or otherwise.
47. And generally to do all such other thing as are incidental or conducive to the attainment of the above objects or any of them.
48. It is declared that notwithstanding any thing contained in the foregoing object clauses of the Memorandum of Association nothing contained therein shall be construed as empowering the Company to engage in or indulge in the business of a banking company, investment or insurance business directly or indirectly as restricted under the law of India and unlawful business operations.
49. To pay all the cost, charges and expenses if any incidental to the formation, registration and establishment of the Company and the maintenance of its capital including any undertaking or other commission, broker's fees and charges in connection therewith and to remunerate or make donation to (by cash or other assets or by the allotment of shares or option on shares, debentures, stock or securities of this or any other company, or in any other manner, whether out of the Company's capital or profits or otherwise) any person, firm or company for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any shares debentures, debenture stock or other securities of the company, or in or about the formation promotion of the Company or for any other reason which the company may think proper.
50. To construct, carry out, maintain, improve, manage, work, control and superintend any such huts, markets reservoirs water-works tanks, bridges and works in connection therewith, hydraulic works, electrical



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work and factories, workers lines and houses and bustees, villages and other work and conveniences, which may seem directly or indirectly, conducive to any of the objects of the Company and to contribute to subsidies or otherwise aid or take part in any such operation.

51. To appropriate use or lay out, land belonging to the Company for streets, parks, pleasure grounds, allotment, and other conveniences and present any such land as land open to the public, any person or body conditionally or unconditionally as the Company think fit.

52. It is declared that notwithstanding any thing contained in the foregoing object clauses of this Memorandum of Association neither the Company nor any person or body shall exercise any power which may be used to manage or undertake any business directly or indirectly in the name of an investment company or managing agency in the territory of Pakistan as restricted under the law and any other unlawful business.



- IV. The liability of Members is limited Exchange Commission

- V. The authorized capital of the Company is Rs. 800,000,000 (Rupees Eight Hundred Millions Only) divided into 80,000,000 (Eighty Million) ordinary shares of Rs. 10/- each with power to the Company to increase or reduce, consolidate, subdivide, or otherwise reorganize the share capital of the Company in accordance with the provisions of the Company ordinance, 1984 and subject to any permission required under the law.