

01st April 2020

**General Manager,
Pakistan Stock Exchange,**
Stock Exchange building,
Stock Exchange Road,
Karachi

**Executive Director,
Public Offering and Regulated Persons Department,**
Securities Market Division,
Security Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue, Blue Area,
Islamabad

**Chief Executive Officer,
Hallmark Company Limited,**
10th Floor, Office # 1001, Uni Centre
I.I Chundrigar Rd, Karachi

**Subject: SUBMISSION OF PROPOSED OFFER LETTER WITH RESPECT TO ACQUISITION OF UP
TO 82,640 ORDINARY SHARES (16.53%) OF HALLMARK COMPANY LIMITED ("TARGET
COMPANY")**

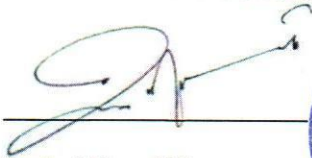
Dear Sir,

We, Topline Securities Limited have been appointed as the Manager to Offer by **Mr. Azneem Bilwani** (hereinafter referred to as the "**Acquirer**" or the "**Client**"), in accordance with the provisions of the Act and the Regulations.

On behalf of the acquirer, we are pleased to submit the proposed Offer Letter along with necessary enclosures to acquire up to 82,640 ordinary shares of the target company constituting 16.53% of the issued share capital of Target Company in accordance with the Securities Act, 2015 ("Securities Act") and Listed Companies (Substantial Acquisition of Voting Shares and Take-overs) Regulations, 2017. The same will be sent to all shareholders of the Target Company except for those who are the party to the Share Purchase Agreements ("SPA") in accordance with the requirement of the Securities Act.

Please contact the undersigned for any other information that is required.

For and on behalf of the Manager to the Offer:



Daniyal Ahmed Khan
Senior Analyst – Corporate Finance
daniyal.khan@topline.com.pk



TOPLINE SECURITIES LIMITED

8th Floor, Horizon Tower, Plot 2/6, Block-3, Clifton, Karachi-Pakistan.
Tel: +92-21-35303330-32, Fax: +92-21-35303349 | www.topline.com.pk

SCHEDULE VII
[Ref Regulations 7 (4) and 17(3)]
PUBLIC ANNOUNCEMENT OF OFFER OR COMPETITIVE BID

Public announcement of offer to acquire 16.53% shares (82,640 to be acquired through public offer) or control of the Hallmark Company Limited By Mr. Azneem Bilwani Under Securities Act, 2015

PART A

Brief description of the acquisition:

Acquisition through	Number of shares	Percentage	Price per share (highest price paid in case of SPA)
Share Purchase Agreement(s)	334,720	66.94%	20
Public Offer	82,640	16.53%	20

PART B

The following information shall be disclosed:

1. THE ACQUIRER

1.1. If acquirer(s) is an individual

- (a) **Name(s) and address(es) of each individual along with the persons acting in concert** – Azneem Bilwani, 5th Floor (Extension Block), Bahria Complex IV, Chaudhry Khaliq-uz-Zaman Road, Clifton, Karachi.
- (b) **CNIC number(s)** – 42301-5585440-7
- (c) **If there are more than one acquirer their relationship, if any** – Not applicable
- (d) **Total number of voting shares of the target company already held by the acquirer, including any shares purchased through an agreement and relevant details of such agreement including the share price agreed** – Not applicable
- (e) **Financial advisors of the acquirer, if any** – Not applicable
- (f) **Principal areas of business of the acquirer and relevant experience** – The principal business activities of the Acquirer includes manufacturing and export of dried fishmeal to China and Egypt. The current plant capacity is approx. 8,500 Metric Tons per annum. Based on the standard and quality of product, the Acquirer was awarded registration with Marine Fisheries Department, Government of Pakistan as well as with the Ministry of Agriculture of China. The Acquirer is also involved in the business of manufacturing and exporting copper billets and has managed to achieve significant growth in production and export sales within six months of commencement of this line of business. The Acquirer is also the founding member and chairman of Intermarket Securities Limited, one of the leading brokerage houses in Pakistan. The Acquirer enjoys a very good reputation in the business community and has tremendous knowledge and expertise in real estate and capital market businesses.
- (g) **Details of any bank overdrafts or loans, or their similar indebtedness, mortgages, charges or other material contingent liabilities of the acquirer.**

DETAIL OF EXISTING LIMITS AND STATUS:

TYPE OF FUNDS	AMOUNT	EXPIRY DATE	AMOUNT OVERDUE (IF ANY)
FUND BASED (JS BANK LIMITED)	350 M	31-JAN-21	-
FUND BASED (HMBL)	100M	30-NOV-20	-
NON-FUND BASED	20M		-
CLEAN FACILITY (HBL BANK)	0.5M	-	-
CLEAN FACILITY (STANDARD CHARTERED BANK)	1.5M	-	-
CLEAN FACILITY (BANK ALFALAH)	0.175M	-	-

DETAILS OF PERSONAL GUARANTEES

Names of the Guarantors	Institutions/persons to whom Guarantee given	Amount of Guarantee	Validity Period	CNIC#
AZNEEM BILWANI	Bank Al Habib	833M	28-Feb-22	42301-5585440-7
AZNEEM BILWANI	JS BANK	785M	28-Feb-21	42301-5585440-7
AZNEEM BILWANI	DIB BANK	631M	28-Feb-21	42301-5585440-7

- (h) **Details if the acquirer is a director on the board of directors of any listed company(s).** – Not Applicable
- (i) **Details of any agreement or arrangement between the acquirer and the directors of the target company about any benefit which will be given to any director of the target company as compensation for loss of office or otherwise in connection with the acquisition** – As part of the SPA, the Acquirer is paying a higher price per share to shareholders of the target company who are also directors. The differential between Directors and other sponsor group shareholders is deemed to be a compensation for loss of office. The purchase price per share negotiated with two shareholders is PKR 14 and three other shareholders at PKR 15 per share whereas one shareholder and seven director shareholders are being paid at the rate of PKR 20 per share.

2. DETAILS OF THE PUBLIC OFFER

- (a) **The names, dates and editions of the newspapers where the public announcement of intention was published.** The public announcement of intention and a corrigendum to the public announcement of intention to acquire control of the company was published in The Nation & Roznama Islam newspapers on Saturday, October 05, 2019 and Wednesday, March 25, 2020 respectively.
- (b) **The number and percentage of shares proposed to be acquired by the acquirer(s) from the shareholders through agreement, if any, the offer price per share and the mode of payment of consideration for the shares to be acquired.** The acquirer has entered into the Share Purchase Agreement with the following shareholders of the target company, details of which are as follows:

Date	Name	%	No. of Shares	Price/share (PKR)
26-Mar-2020	Shahab Ahmed	9.70	48,500	14.00
26-Mar-2020	Muhammad Adil	9.20	46,000	14.00

26-Mar-2020	Chaman Ara	7.88	39,420	15.00
26-Mar-2020	Muhammad Bilal Ahmed	7.76	38,800	15.00
26-Mar-2020	Haris Aftab Shamsi	0.50	2,500	15.00
26-Mar-2020	Mehnaz Manzoor	9.90	49,500	20.00
26-Mar-2020	Abdul Rahim Ibrahim	9.90	49,500	20.00
26-Mar-2020	S. M. Imran	9.60	48,000	20.00
26-Mar-2020	Naveed Hamid	0.50	2,500	20.00
26-Mar-2020	Farrukh Bashir	0.50	2,500	20.00
26-Mar-2020	Ahtesham Ashraf	0.50	2,500	20.00
26-Mar-2020	Saad Aftab	0.50	2,500	20.00
26-Mar-2020	Zubair Ahmed Khan	0.50	2,500	20.00
	Total		334,720	

The mode of payment will be bank transfers / cheque / cash.

- (c) **Reasons for acquiring shares or control of the target company.** The Acquirer intends to expand the target company using his expertise and experience of several industries with a view to improve the performance of the target company and create better returns for the General Public as well as himself.
- (d) **Details regarding the future plan for the target company, including whether after acquisition the target company would continue as a listed company or not.** The acquirer plans to take control of the target company and re-structure/re-organize the business & business-lines of the target company. The Acquirer will also evaluate opportunities and explore all available options for expansion that are in the benefit of the target company and its investors. The target company will remain listed post acquisition.
- (e) **In case of conditional offer, specify the minimum level of acceptance i.e. number and percentage shares.** Not applicable
- (f) **In case there is any agreement with the present management, promoters or existing shareholders of the target company, any overview of the important features of the agreement(s) including acquisition price per share, number and percentage of shares to be acquired under the agreement(s), name of the seller(s), date of agreement(s), manner of payment of consideration, additional important information, if any.** The acquirer has entered into the Share Purchase Agreement with various shareholders of the target company, details of which are as follows:

Date	Name	%	No. of Shares	Price/share (PKR)
26-Mar-2020	Shahab Ahmed	9.70	48,500	14.00
26-Mar-2020	Muhammad Adil	9.20	46,000	14.00
26-Mar-2020	Chaman Ara	7.88	39,420	15.00
26-Mar-2020	Muhammad Bilal Ahmed	7.76	38,800	15.00
26-Mar-2020	Haris Aftab Shamsi	0.50	2,500	15.00
26-Mar-2020	Mehnaz Manzoor	9.90	49,500	20.00
26-Mar-2020	Abdul Rahim Ibrahim	9.90	49,500	20.00
26-Mar-2020	S. M. Imran	9.60	48,000	20.00
26-Mar-2020	Naveed Hamid	0.50	2,500	20.00

26-Mar-2020	Farrukh Bashir	0.50	2,500	20.00
26-Mar-2020	Ahtesham Ashraf	0.50	2,500	20.00
26-Mar-2020	Saad Aftab	0.50	2,500	20.00
26-Mar-2020	Zubair Ahmed Khan	0.50	2,500	20.00
	Total		334,720	

The mode of payment will be bank transfers / cheque / cash.

- (g) **Number of shares already held by the acquirer along with the date(s) of acquisition. Also state whether it was purchased through open market or acquired through a negotiated deal.** Not applicable
- (h) **Minimum level of acceptance, if any.** Not applicable

3. OFFER PRICE AND FINANCIAL ARRANGEMENTS

3.1. Justification for the offer price

- (a) **Disclosure about the form of consideration for the shares to be acquired through the public offer.** Bank transfer / cheque / cash
- (b) **Disclosure of the total amount of consideration to be paid for the shares to be tendered during the public offer (assuming full acceptances).** 82,640 shares * PKR 20 per share = PKR 1,652,800/-
- (c) **Whether the shares of the target company are frequently traded or infrequently traded in the light of criteria prescribed in regulation 13 of these regulations.** Infrequently traded
- (d) **Justification for the offer price for the shares of the target company, in the light of criteria contained in regulation 13 of these regulations.** Highest price paid under the Share Purchase Agreements executed with the present shareholders of the target company.

3.2. Financial arrangements

- (a) **Disclosure about the security arrangement made in pursuance of Section 123 of the Act.** The acquirer has provided to the Manager to the Offer an irrevocable bank guarantee of PKR 1,700,000/- from JS Bank Limited as per Regulation 15(c) of the Regulations.
- (b) **Disclosure about the adequate and firm financial resources to fulfill the obligations under the public offer.** The acquirer has made adequate financial arrangements for fulfillment of its obligations under the public offer to the satisfaction of the Manager to the Offer.
- (c) **A statement by the manager to the offer that the manager to the offer is satisfied about the ability of the acquirer to implement the public offer in accordance with the requirements of the Act and these regulations.** Topline Securities Limited, Manager to the Offer is satisfied that Mr. Azneem Bilwani is financially capable of implementing the public offer in accordance with the requirements of the Ordinance and the Regulations and has taken appropriate measures to ensure that payments to the current shareholders are fully settled.

4. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- (a) Detailed procedure for acceptance of offer by shareholder of the target company.

- (1) In order to accept the Public Offer, the shareholders are required to send the letter of acceptance (attached to the Offer Letter), duly completed and signed, along with the requisite documents (as set out below) to the Manager to the Offer at its registered address i.e. 801, 8th Floor, Horizon Tower Khayaban e Saadi, Block 3 Clifton, Karachi, on or before 5:00 pm on **Tuesday, May 26 2020**. Please ensure that while the letter of acceptance, all the required information is provided, including the number of shares to be tendered.
- (2) In the event that the letter of acceptance and the requisite documents are delivered within the stipulated time, the Manager to the Offer will issue confirmation of the receipt of documents (Provisional Receipt).
- (3) Receipt by the Manager to the Offer by the closing date of the duly completed and signed letter of acceptance along with the required documents will constitute acceptance of the Public Offer.
- (4) Completed acceptance forms, once submitted, cannot be revoked by shareholders selling in the Public Offer.
- (5) Copies of the acceptance form shall also be available at the offices of Topline Securities Limited (address provided below) or on the website: www.topline.com.pk

- (b) **Details of the CDC account in which shares are required to be tendered by eligible shareholders on acceptance during the acceptance period.** CDC account holders shall follow the procedure set forth above, as applicable. Additionally, the CDC account holders must transfer these shares to the CDC account of the Manager to the Offer in accordance with the following details and to provide the CDC transfer slip to the Manager to the Offer, with respect to transfer of shares:

CDC Account Details: CDC Account Title: Manager to the Offer – Hallmark Company Limited

CDC Participant ID: 07419
 CDC Account No: 18675
 Transaction Reason Code:
 - For Intra Account – A053
 - For Inter Account – P046

Shareholders with physical share certificate(s) are required to provide the physical share certificate(s) along with duly verified transfer deed(s).

Acceptance by the Acquirer: The acceptance by the Acquirer of the shares tendered by the selling shareholders and payment of the offer price is subject to the following conditions:

- The Securities and Exchange Commission of Pakistan or any other competent authority having no objections to any of the provisions of the Public Offer.
- The payment for shares does not contravene any section of the Foreign Exchange Regulation Act, 1947 and the Foreign Exchange Manual of the State Bank of Pakistan.
- The letter of acceptance being duly completed and signed along with the required documents and submitted to the Manager to the Offer on or before the closing date.
- The tendered shares being verified by the target company.
- The Acquirer not withdrawing the Public Offer in accordance with the provisions of the Act.

Payment of the offer price: Upon receipt of duly filled acceptance form along with the requisite documents, the Manager to the Offer will send written acceptance of the tender along with bank draft / pay order in favor of the shareholder as payment for such

shares to the selling shareholder within 10 (ten) days of the closing date. No interest, mark-up, surcharge or other increment will be payable for any cause or reason on the aggregate price for the shares purchased by the Acquirer from any selling shareholder for any cause or reason.

REQUIRED DOCUMENTS

The Letter of Acceptance must be accompanied by the following documents: Letter of acceptance furnished by the shareholder(s) without the requisite documents may be rejected by the manager as being incomplete and invalid. For Individual Applicants: An attested copy of Computerized National Identity Card, original shares certificates and duly executed transfer deeds along with the duly completed and signed authorization to split share(s) certificates letter for (physical shares only), Copy of CDC transferred slip submitted with CDC investor account services (for CDC share only). For Corporate Applicants: Memorandum and Articles of Association, a certified copy of certificate of incorporation (and for public companies, certificate of commencement of business), certified copies of Computerized National Identity Card of signatories, a certified copy of board resolution authorizing persons to sell the shares with specimen signatures of such authorized persons, original share certificates and duly executed transfer deeds along with the duly completed and signed authorization to split share certificate(s) letter (for physical shares only), Copy of CDC transfer slips submitted with CDC investor account services (for CDC shares only).

5. STATEMENTS BY THE ACQUIRER

- (a) **Statement by the acquirer for assuming responsibility for the information contained in the document.** The acquirer assumes responsibility for the information contained in this document.
- (b) **A statement by the acquirer to the effect that each of the acquirers including persons in concert, if any, will be severally and jointly responsible for ensuring compliance with the Act and the regulations.** The acquirer confirms that he will be responsible for ensuring compliance with Securities Act, 2015 and the regulations.
- (c) **A statement by the acquirer that the public offer is being made to all the shareholders who have voting shares of the target company and (except the persons acting in concert with acquirers) whose names appear in the register of shareholders as on the date of book closure.** The acquirer confirms that this public offer is being made to all shareholders who have voting shares of the target company and (except the persons acting in concert with acquirers) whose names appear in the register of shareholders as on the date of book closure in accordance with the requirements of the Act and the Regulations.
- (d) **A statement by the acquirer that all statutory approvals for the public offer have been obtained.** The acquirer states that all statutory approvals for the public offer as required under the Act and Regulations have been obtained.
- (e) **Disclosure as to whether relevant provisions of the Act and the regulations have been complied with.** The acquirer confirms that all relevant provisions of the Act and the regulations have been complied with.
- (f) **A statement to the fact if any director(s) of the acquirer is also a director on the board of directors of target company.** Acquirer confirms that he is not a director on the board of directors of the target company.
- (g) **A statement by the acquirer as to whether or not any voting shares acquired in pursuance to the public offer shall be transferred to another person and it that is the case the names of such persons shall be disclosed.** The acquirer confirms that the voting shares acquired in pursuance to the public offer are not intended to be

transferred to any other person except as may be transferred to the nominees of the acquirers to be directors of the target company.

Signature

With name Designation and stamp

Date:

Place:

Note:

This document shall be signed by the acquirer(s).