

WHY TO LIST

You may want to list your Company for various reasons. Perhaps you need access to capital to further your growth, raise your profile or your shareholders may want to realize their investment in the Company.

BENEFITS OF LISTING

- Access to capital for growth: listing gives you the opportunity to raise capital to fund acquisitions as well as growth. It is often cheaper to raise equity capital rather than to rely on debt finance, to fund the expansion of a company's business, and a listed company is more able to raise such equity capital.
- Boost your profile: listing generally heightens your Company's public profile with customers, suppliers, the media and investors. As a result more business opportunities become available to you. A listing will better enable the company to obtain other forms of finance, such as bank loans. A listing will enhance the status of the company and providers of the finance will be more comforted.
- Create value and liquidity for shareholders: because your Company's value is independently assessed, shareholders can realize their investment, liquidity is stimulated and your shareholder base may be broadened. A listing will better enable the existing shareholders of the company to realize all or part of their shareholdings, thus making it a more attractive investment.
- A listing enables a company to use its shares to fund acquisitions, as sellers are more likely to accept listed shares as consideration.
- The value of the company's shares will be enhanced if demand is greater than its supply.
- A listing will enhance the status of the company which will better enable the company to attract and maintain good employees. You may offer share incentives to employees to encourage commitment and improve the quality of recruits. A listing will make a company's share incentive scheme more attractive to employees, as their shares will be more marketable.
- The enhanced status of being listed should improve the company's dealings with banks, suppliers, distributors and customers, which could have a positive effect on the company's overall performance.

LSE is well positioned to help you leverage your listing to its maximum. In addition to the benefits above, listing on the LSE allows you to:

- Enjoy local analyst coverage as well as high media interest.
- Attract international investors who are easily able to trade in LSE-listed shares without any restrictions.
- Trade your shares securely, transparently and efficiently on *Ultra Trade System* of LSE.
- Be eligible for inclusion in the LSE Index Series, thus creating additional exposure for your Company both locally and internationally.
- Marketing your business to investors.
- Use your listing as a springboard into the rest of the World.
- Opportunity to tap into local knowledge, skills and interest.
- Access deep pools of capital relative to other markets.
- Increase and diversify your Company's pool of liquidity.

IS LISTING FOR YOU?

The decision to list your Company needs to be made once you have realistically assessed your Company, its management, resources, stage of development, long term strategy, goals and future prospects. You would also need to consider the timing of a listing in terms of market conditions and where your business is at that point in time.

Listing is accompanied by benefits as well as responsibilities and public scrutiny. There are many specific requirements that you need to meet which are in the LSE Listing Requirements. These can be accessed at lahorestock.com. It would be a good idea to familiarize yourself with these requirements to assess whether your Company will be able to fully comply.

At first, a private limited company would be required to convert itself into a public limited company – please refer to Section 45 of the Companies Ordinance, 1984 and do visit Securities and Exchange Commission (SECP) website secp.gov.pk/GuideSeries.htm for “Conversion Guide”. The decision to list depends on factors like the size of your Company, your funding requirements and what you would like to achieve with your listing. Listing may be just what you need to take your business to the next level.

COSTS

The overall costs of listing and maintaining the listing must be considered and understood before embarking on the process. The cost of listing your Company depends on a number of factors and will be influenced by your objectives.

Typical costs to consider include:

- Advisor & Arranger to the Issue
- Legal Advisor to the Issue
- Computer Balloter & Registrar to the Issue
- Commission to Bankers to the Issue and the Underwriters
- Brokerage to the Members of Stock Exchange
- Advertising, Printing and Publication of a Prospectus
- LSE initial listing fee & Annual fee
- Central Depository Company (CDC) fee

KEY LISTING REQUIREMENTS

- Minimum Paid-up Capital Rs. 200 million (after IPO)
- Minimum Public Offer Rs. 100 million or 25% of share capital whichever is higher in case of offer of new shares. However, in case the existing shares of a company are to be offered by a person (who holds more than 10% of the shares) to the public through offer for sale then it shall be Rs. 100 million or 25% of the capital whichever is less
- Public issue to be subscribed by not less than 500 applicants
- The Prospectus/Offer for Sale is cleared by the Exchange and approved by SECP
- Submission of Complete Listing Application alongwith required documents as per Application Package (available at our website lahorestock.com)
- On going compliance of Listing Regulations

FURTHER INFORMATION

If you are interested in listing your Company, or if you would like more information, please call our Company Affairs Department on 042-6316973; or email us at rananaveed@lahorestock.com

The decision to list your Company needs to be made once you have realistically assessed your Company, its management, resources, stage of development, long-term strategy, goals and future prospects.