

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Declaration of Right Shares Issuance and other Material Information

Dear Sir,

Please be apprised that the Board of Directors of LSE Ventures Limited (“the Company/LSEVL”) through resolution by circulation dated September 12, 2025 has taken the following decisions:

- 1. To increase the paid-up share capital of the Company by issuance of further 40,000,000 Ordinary Shares at par value (i.e., at Rs. 5/- each) by issue of Right Shares to be offered to the members in proportion of 11.14 Right Shares for every 100 ordinary shares held, i.e., 11.14% Right Issue at par value of Rs. 5/- per share.**

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of Right Share will be communicated in due course after finalization of the Right Share - Offer Document (Schedule-I) in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

The following Annexes are attached herewith:

- **Annexure-A:** Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the Shareholders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.
 - **Annexure-B:** Certified true copy of the Extract of the Resolutions passed by the Board of Directors.
 - **Annexure-C:** Draft copy of the notice of Right Issue to the Shareholders prior to its publication in the newspapers.
- 2. To not proceed with the issuance of the earlier announced Sukuk as JJVL (the investee entity of LSE Capital Limited) has already entered into alternative financing arrangements for the operationalization of its plant, which is expected to happen by the first week of October-2025 (Certified true copy of the Resolutions attached as Annexure-D).**

You may please inform the TRE Certificate holders of the Exchange accordingly.

Yours truly,

For and on behalf of **LSE Ventures Limited**


Company Secretary

Cc: **The Executive Director/HOD, Offsite-II Department, Supervision Division, Securities and Exchange Commission of Pakistan, NIC Building, Blue Area, Islamabad.**

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ANNEXURE-A

STATEMENT PERTAINING TO THE QUANTUM OF ISSUE, ISSUE SIZE, ISSUE PRICE, PURPOSE OF ISSUE, UTILIZATION OF PROCEEDS, BENEFITS OF THE ISSUE TO THE COMPANY AND THE CERTIFICATE-HOLDERS, RISK FACTORS, UNDER REGULATION 3 OF THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATION, 2020.

1. Quantum of the Right Issue (i.e., as percentage of existing paid-up capital)

The quantum of the Right Issue is approximately **11.14%** of the existing paid-up capital of the Company, i.e., approximately **11.14** right shares for every **100** ordinary shares held by the shareholders of the Company immediately prior to the close of the Share Transfer Books of the Company.

2. Right Issue Size

The Company shall issue 40,000,000 (Forty Million) ordinary shares, at a price of PKR 5/- per share, aggregating PKR 200,000,000 /- (Pak Rupees Two Hundred Million only).

3. Right Issue Price

PKR 5/- per share, i.e., at par value.

4. Purpose of the Issue

The purpose of Right Issue shall be to provide seed money/invest in SPACs to be promoted/sponsored by LSEVL and make other investments in pre-IPO, IPO and SPO offering companies.

5. Utilization of Proceeds of the Right issue

The funds generated from the further issue of capital will be utilized as under:

Sr.	Description	PKR	%age
1	Seed money/invest in LSE SPAC	120,000,000	60%
2	Invest in pre-IPO, IPO and SPO offering companies	80,000,000	40%
	Total Fund Required	200,000,000	100%

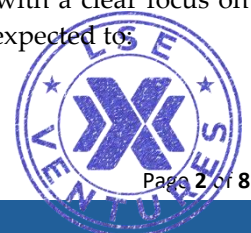
6. Benefits to the Company and its Shareholders

The Right Issue is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders in the following manner:

a) Portfolio Diversification:

The right issue proceeds are intended to establish a capital pool for LSEVL, allowing it to become an active player in both the SPAC market and private equity, with a clear focus on early-stage investment opportunities. This dual-investment approach is expected to:

- Diversify LSEVL's investment portfolio.
- Secure potentially high returns from early-stage opportunities.



b) Strategic Positioning:

The Right Issue will establish a capital pool for LSEVL to become an active player in both the SPAC and private equity markets. A core part of the company's objective is to invest in growth-oriented companies and assist in the development of the Pakistani capital market. This strategy is designed to create a pipeline of IPO-ready companies.

7. Risk Factors associated with the Right issue

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholders and Directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements. The following risks are associated with the Issue; however, they have been effectively mitigated by the Company.

Sr.	Risks	Mitigation
1	Undersubscription Risk: The rights issue may fail to attract full subscription	To guarantee the successful raising of the required funds, LSECL, a sponsor shareholder of LSEVL, shall take up all the unsubscribed right shares, which ensures the LSEVL will get its desired capital
2	Investment Risk: The strategy to invest in Special Purpose Acquisition Companies (SPACs) and pre-IPO companies aims for high returns and diversification, it is a high-risk investment strategy.	LSEVL has conducted extensive due diligence on all potential pre-IPO and SPAC merger targets to ensure they have sound business models, strong leadership, and a competitive edge, as per its stated investment philosophy. The company have an experienced team to actively manage its investments, especially the SPACs it sponsors, to ensure they find and merge with promising targets.
3	Execution Risk: The plan to raise PKR 200 million via a rights issue to fund investments in SPACs and pre-IPO companies depends on successful execution. There is a risk that the SPACs may not find suitable targets.	LSEVL has developed a detailed roadmap for its SPAC transactions, including a clear timeline and criteria for identifying target companies. This plan is backed by a strong internal team and external network to source and close deals efficiently.
4	Market Risk: The rights issue can signal financial distress or dilute the value of existing shares, which can negatively affect the share price and investor confidence.	LSEVL has adopted a comprehensive strategy focusing on transparent communication, strategic use of funds, and thoughtful structuring of the offering. The rights issue is tied to its long-term strategy, not just short-term needs.

8. Justification for issue of shares at, premium or at discount to face value (if applicable)

Not Applicable



9. Provision of ASBA facility (optional)

The Company is not opting for the option

10. Minimum Subscription Amount

The Company is not opting for the option of Minimum Subscription Amount as envisaged in Regulation 3(6) of the Companies (Further Issue of Shares) Regulations, 2020.

The draft offer documents shall be submitted to PSX and the Commission within due course and it shall simultaneously be placed on the PSX and Company's website. The board has exercised its discretion not to seek public comments on the offering documents.



ANNEXURE-B

EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THE MATTER OF RIGHT ISSUE FOR RAISING ADDITIONAL CAPITAL OF RS. 200 MILLION BY OFFERING 40 MILLION ORDINARY SHARES OF THE COMPANY:

BOARD RESOLUTIONS:

“**RESOLVED THAT** the approval be and is hereby accorded to increase the share capital of the Company as follows in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws:

Type of Security	Face Value Rs./Share	Right Price Rs./Share	Right Issue Nos.	Share Capital Rs.	Share Premium Rs.	Right Issue Rs.
Ordinary Shares	5.00	5.00	40,000,000	200,000,000	Nil	200,000,000
11.14 Right Shares for every 100 ordinary shares held, i.e., 11.14% Right Issue at par value of Rs. 5/- per share against payment to the Company.						

FURTHER RESOLVED THAT the approval be and is hereby accorded to approve **Annexure-A** for the quantum, size, and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and the Shareholders of the Company and risk factors associated with the Right issue in accordance with the Regulations 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

FURTHER RESOLVED THAT the letter of offer may be issued/signed by the Chief Executive and Company Secretary in compliance with the applicable laws.

FURTHER RESOLVED THAT the draft of the circular to accompany the letter of offer, pursuant to Section 83(3) of the Companies Act, 2017, as placed before the directors be and is hereby approved and Chief Executive and Company Secretary be and are hereby authorized singly to finalize and sign the circular on behalf of all the directors.

FURTHER RESOLVED THAT all fractional entitlements will be consolidated in the name of the Company Secretary (under trust) and unpaid letter of right in respect thereof shall be sold on Pakistan Stock Exchange Limited, the net proceeds from which sales, once realized, shall be distributed/ paid to the entitled shareholders in accordance with their respective entitlements as per applicable laws.

FURTHER RESOLVED THAT that any unsubscribed shares may be offered and allotted to such persons and in the manner as the directors may deem fit in accordance with the Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors, directors or associated undertakings of the Company or any other third party.

FURTHER RESOLVED THAT the Chief Executive and Company Secretary of the Company be and are hereby authorized to determine the dates of closure of Company's share transfer books to determine the entitlements of the shareholders of the Company with respect to the Right Issue.



FURTHER RESOLVED THAT the Chief Executive and the Company Secretary be and are hereby singly authorized to do the following acts on behalf of the Company:

- i. To appoint/negotiate with consultants/advisors/ auditors to the Right Issue, to finalize terms and conditions and sign agreements, other documents and settle/ finalize fees, commission and third-party expenses and/or any other expenses relating to the Right issue;
- ii. To prepare/amend the schedule for the issue of right share (i.e., the Schedule I under the Companies (Further Issue of Shares) Regulations, 2020 for Right Share - Offer Document) including date of payment, appointment of banker(s) to the issue, announce the book closure dates, and to take all necessary actions, in respect of the Right issue and ancillary matters thereto, and as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC), including but not limited to induction of the offer for right shares in the Central Depository System of the CDC or any other authority;
- iii. To open, maintain, operate and close bank account(s) for the purpose of amounts received from subscription of Right Shares;
- iv. To make necessary corrections, amendments and file necessary documents in case of any mistake or omission is pointed out by any regulatory authorities;
- v. To allot /credit right shares and file return as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC) along with the auditors' certificates; and
- vi. To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for right issue and any other documents and to make any amendments in the aforementioned documents and schedule and to take all necessary actions as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions."



Company Secretary



ANNEXURE-C
NOTICE OF RIGHT ISSUE

Members are hereby notified that Board of Directors of LSE Ventures Limited (“the Company”) through Resolution by Circulation dated, September 12, 2025, has decided to issue additional share capital by way of right as follows:

Type of Security	Face Value	Right Price	Right Issue	Share Capital	Share Premium	Right Issue
	Rs./Share	Rs./Share	Nos.	Rs.	Rs.	Rs.
Ordinary Shares	5.00	5.00	40,000,000	200,000,000	Nil	200,000,000

1. 11.14 Right shares for every 100 ordinary shares held i.e. 11.14% Right Issue at par value of Rs. 05/- per share against payment to the Company.
2. The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of Right Share will be communicated in due course after finalization of the Right Share- Offer Document (Schedule-1) in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

For and on behalf of **LSE Ventures Limited**


 Company Secretary
 

Date: September 12, 2025

ANNEXURE-D

EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THE MATTER TO NOT TO PROCEED WITH THE ISSUANCE OF THE EARLIER ANNOUNCED SUKUK:

BOARD RESOLUTIONS:

“RESOLVED THAT the cancellation of the plan for issuance of LSE Ventures Limited – Redeemable and Convertible Sukuk amounting Rs. 2,100 million under the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022 to the existing shareholders by way of Right as per the earlier decision of the Board dated May 22nd, 2025 be and is hereby approved.

FURTHER RESOLVED THAT the management of the Company be and is hereby authorized to take all necessary actions on behalf of the Company in respect of the cancellation of the above referred Sukuk Issue.”



Company Secretary

