

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

November 27, 2023/14

**SUBJECT: MATERIAL INFORMATION**

Dear Sir,

We are pleased to convey the following information.

1. Approved Scheme of Compromises, Arrangement and Reconstruction for amalgamation/merger of **MODARABA AL-MALI and LSE PROPTECH LIMITED with and into LSE CAPITAL LIMITED** along with Partial Transfer of Designated Assets of **LSE CAPITAL LIMITED** with and into **LSE FINANCIAL SERVICES LIMITED** (in terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017) as approved by the Board of Directors of all relevant companies and duly filed with honorable Lahore High Court along with the SWAP Ratio.

2. SWAP Ratio is as follows:

Issuance of shares of LSE Capital Limited (LSECAP) to the Shareholders of LSE Proptech Limited (LSEPL)	0.83 : 01	i.e. 83 Shares of LSECAP against 100 shares of LSEPL
Issuance of shares of LSE Capital Limited (LSECAP) to the Certificate-holders of Modaraba Al-Mali (MODAM)	0.83 : 01	i.e. 83 Shares of LSECAP against 100 certificates of MODAM

Upon the completion of merger / amalgamation through the intended Scheme, Modaraba Al-Mali and LSE Proptech Limited will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of LSE Capital Limited shall be issued to the registered members/certificate-holders of Modaraba Al-Mali and LSE Proptech Limited as per the SWAP Ratio.

3. Designated assets (as per Schedule-3 of the Scheme) shall be transferred to LSE Financial Services Limited (LSEFSL) by the LSE Capital Limited (LSECAP) against the following Distribution Ratio.

To the Shareholders/ Certificate-holders of	No. of Shares of LSEFSL	Distribution Ratio
LSE Capital Limited	19,771,736	<b>941.51</b> shares of LSEFSL against 1,000 shares of LSECAP
Modaraba Al-Mali	5,905,842	<b>65.03</b> shares of LSEFSL against 1,000 certificates of MODAM

4. Listing status of LSEPL shall be transferred to LSECAP and listing status of MODAM shall be transferred to LSEFSL under the Scheme.

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

Yours truly  
For LSE Capital Limited  
(on behalf of **Modaraba Al-Mali**)

  
**Inam Ullah**  
Company Secretary



Cc:

1. Executive Director / HOD, Offsite-II Department, Supervision Division, the Securities and Exchange Commission of Pakistan, Islamabad.
2. Registrar Modaraba, the Securities and Exchange Commission of Pakistan, Islamabad.

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**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR**

**AMALGAMATION/MERGER OF**

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**PART-1 - Complete Transfer of Assets and Undertakings**

1. MODARABA AL-MALI  
(AND ITS MEMBERS)
2. LSE PROPTECH LIMITED  
(AND ITS MEMBERS)

**WITH AND INTO**

3. LSE CAPITAL LIMITED  
(AND ITS MEMBERS)

**PART-2 - Partial Transfer of Designated Assets**

1. LSE CAPITAL LIMITED  
(AND ITS MEMBERS)

**WITH AND INTO**

2. LSE FINANCIAL SERVICES LIMITED  
(AND ITS MEMBERS)

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**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE  
COMPANIES ACT, 2017)**

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## PREAMBLE

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### 1. LSE PROPTECH LIMITED

#### BACKGROUND

**LSE PROPTECH LIMITED (LSEPL)** was incorporated under the Companies Act, 2017 with the principal business to develop, import, market, construct and maintain and offer software services for efficient real estate management and to provide online/e-commerce market places/networked warehouses and smart architectural, maintenance, safety, security and assurance solutions and eco-systems for Internet of Things (IoT) for buildings, shared grids and data centers and insulated construction methodologies, and to provide digital platform for information, analytics, data for real estate management and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities, subject to the permission of the relevant authorities, wherever required.

The Corporate Unique Identification (CUIN) of **LSEPL** is **020194** and the date of incorporation is May 11, 2022. The company's shares were listed on PSX under an earlier scheme having been sanctioned by the honorable Lahore High Court accomplished through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017.

Registered office	-	19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
External Auditors	-	Crowe Hussain Chaudhury & Co., Chartered Accountants
Legal Advisors	-	Zafar Pervaiz, Advocate High Court
Share Registrar	-	CDC Share Registrar Services Limited

#### Listing Status

PSX Trading Symbol	:	<b>LSEPL</b>
Market Price	:	Rs. 3.34 per Share (as on November 13, 2023)
Trading Status	:	Active (main board)

Financial position (audited) of **LSEPL** as on June 30, 2023 is as follows:

#### **LSE PropTech Limited**

##### Statement of Financial Position

**June 30, 2023**

**Rs. in 000**

#### **ASSETS**

##### **Non-Current Assets**

Property and equipment	1,301,829
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Investment property	378,431
Goodwill from demerger	26,533
Net investment in finance lease	4,276
Long term deposits	75
	<b>1,711,144</b>

#### **Current Assets**

Inventories	2,923
Trade and other receivables	39,163
Prepayments, deposits and advances	3,462
Advance income tax	2,285
Bank balances	43,517
	<b>91,350</b>

<b>Total Assets</b>	<b>1,802,494</b>
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<b>AUTHORIZED SHARE CAPITAL</b>	<b>1,500,000</b>
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#### **SHARE CAPITAL AND RESERVES**

Issued, subscribed and paid-up share capital	900,907
- Unappropriated profit	127,709
Surplus on revaluation of property and equipment	706,004
- Building reserve fund	10,082
	<b>1,744,702</b>

#### **Non-Current Liabilities**

Deferred tax liability	1,403
Other liabilities	5,643
	<b>7,046</b>

#### **Current Liabilities**

Trade and other payables	50,746
	<b>50,746</b>

<b>Equity and Total Liabilities</b>	<b>1,802,494</b>
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#### **Ratio Analysis**

Book Value	Rs./Share	19.37
Current Ratio	times	1.80
Debt-Equity Ratio	times	0.03

## 2. MODARABA AL-MALI

### BACKGROUND

**MODARABA AL-MALI (MODAM)** is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 ("Modaraba Rules, 1981"). The Modaraba is being managed by LSE Capital Limited (the "**Modaraba Company**"), a company registered under the repealed Companies Ordinance, 1984 (now Companies Act, 2017).

The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is relocated to 505, 5th Floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab

Upon transfer to the new management, Modaraba's focus has been changed from conventional Islamic financing modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring /rehabilitation transactions of potentially viable companies through resource mobilization.

Registered office	-	Room No. 508, 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
External Auditors	-	Kreston Hyderbhimji & Co., Chartered Accountants
Legal Advisors	-	Bawaney & Partners Mohsin Tayebaly & Co.-Advocate & Legal Consultants
Shariah Advisor	-	Mufti Zeeshan Abdul Aziz Al-Hikmah Shariah Advisory Services (Private) Limited
Share Registrar	-	F.D Registrar Services (Pvt.) Limited

### Listing Status

PSX Trading Symbol	:	<b>MODAM</b>
Market Price	:	Rs. 3.65 per Share (as on November 13, 2023)
Trading Status	:	Active (main board)

Financial position (audited) of **MODAM** as on June 30, 2023 is as follows:

### Modaraba Al-Mali

#### Statement of Financial Position

**June 30, 2023**  
**Rs. in 000**

### ASSETS

#### Non-Current Assets

Property and equipment	4,406
Investment in equity shares of Ensmile Limited	297,316
Investment in equity shares of LSE Ventures Limited	639,909

Investment in equity Shares of LSE Proptech Limited		322,500
		<b>1,264,130</b>
<b>Current Assets</b>		
Current portion of diminishing musharaka		227
Ijarah finance		3,755
Prepayments, deposits and advances		17,658
Short term investment		153,582
Advance income tax		11,033
Bank balances		17,579
		<b>203,833</b>
<b>Total Assets</b>		<b>1,467,963</b>
<b>AUTHORIZED SHARE CAPITAL</b>		<b>920,000</b>
<b>SHARE CAPITAL AND RESERVES</b>		
Issued, subscribed and paid-up share capital		794,239
- Unappropriated profit		226,612
Capital reserves		81,321
Certificate subscription money		13,059
		<b>1,115,232</b>
<b>Non-Current Liabilities</b>		
Deferred tax liability		48,720
		<b>48,720</b>
<b>Current Liabilities</b>		
Trade and other payables		236,037
Musharaka finance		50,000
Short term Musharaka finance		3,854
Security deposits		3,762
Unclaimed profit distribution		10,359
		<b>304,012</b>
<b>Equity and Total Liabilities</b>		<b>1,467,963</b>
<b>Ratio Analysis</b>		
Book Value	Rs./Share	14.04
Current Ratio	times	0.67
Debt-Equity Ratio	times	0.32



### 3. LSE CAPITAL LIMITED

#### BACKGROUND

**LSE CAPITAL LIMITED (LSECAP)**, is the Modaraba Company and its principal object is to initiate, sponsor, promote, float, organize, manage, administer and operate modaraba companies, modaraba funds and modaraba of all type and descriptions, mutual funds, unit trust and other similar concerns either in syndicates or otherwise. Currently **LSECAP** is Modaraba Company of Modaraba Al-Mali. Currently **LSECAP** holds the following licenses/ registrations/approvals:

Sr. no.	Type of Licenses/Approvals	From
1 -	Registration as a modaraba company under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980	Securities and Exchange Commission of Pakistan
2 -	License as a consultant to the issue under the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017	Securities and Exchange Commission of Pakistan
3 -	Floated and Listed Modaraba Al-Mali	Securities and Exchange Commission of Pakistan
4 -	Permission (with periodical extensions in the time) for the floatation of following Modarabas: 1. Modaraba Al-Istathmar 2. Modaraba Al-Makatib 3. Modaraba Al-Tameer	Securities and Exchange Commission of Pakistan

Registered office	-	Room No. 508, 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
External Auditors	-	Rafaqat Mansha Mohsin Dossani Masoom & Co., Chartered Accountants
Legal Advisors	-	Bawaney & Partners Mohsin Tayebaly & Co.-Advocate & Legal Consultants
Listing Status	-	Unlisted Public Limited Company

Financial position (audited) of **LSECAP** as on June 30, 2023 is as follows:

#### LSE Capital Limited

##### Statement of Financial Position

**June 30, 2023**

**Rs. in 000**

#### ASSETS

##### Non-Current Assets

Investment in equity Certificates of Modaraba Al-Mali	62,706
Investment in equity Shares of Digital Custodian Company Limited	135,812
	<b>198,518</b>

##### Current Assets

Prepayments, deposits and advances	54,291
Other receivables	54,735
Management fee receivable	12,082
Accrued mark-up	24
Advance income tax	2,522
Bank balances	89
	<b>123,874</b>

<b>Total Assets</b>	<b>322,392</b>
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<b>AUTHORIZED SHARE CAPITAL</b>	<b>250,000</b>
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#### **SHARE CAPITAL AND RESERVES**

Issued, subscribed and paid-up share capital	210,000
- Unappropriated profit	37,482
Fair value reserves	48,118
	<b>295,601</b>

#### **Non-Current Liabilities**

Deferred tax liability	3,544
	<b>3,544</b>

#### **Current Liabilities**

Trade and other payables	23,247
	<b>23,247</b>

<b>Equity and Total Liabilities</b>	<b>322,392</b>
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#### **Ratio Analysis**

Book Value	Rs./Share	14.27
Current Ratio	times	5.33
Debt-Equity Ratio	times	0.09

## **4. LSE FINANCIAL SERVICES LIMITED**

### **BACKGROUND**

**LSE FINANCIAL SERVICES LIMITED (LSEFSL)** was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee.

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The Company was re-registered as a public limited company by shares under “Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The Securities Exchange and Commission of Pakistan (SECP) vide its notification dated August 25, 2015 directed integration of stock exchanges in the Country.

Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations on January 11, 2016, and was granted a license of “investment finance services” under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) to operate as an investment finance services company under the name of “LSE Financial Services Limited”.

Prior to cessation of the stock exchange operations, the Company was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scrips, participation term certificates, Modaraba certificates, Sukuks, bonds, debentures, commercial papers and other securities.

**LSE Financial Services Limited** was demerged into LSE Ventures Limited and LSE PropTech Limited through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017 sanctioned by the honorable Lahore High Court. **LSEFSL** is continued under license of “investment finance services” within NBFC Rules and Regulations.

Under the “investment finance service” license, **LSEFSL** has to operate within the ambit defined by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) that generally includes provision of finance, loans, guarantee, financial accommodation etc. Further, the license is also valid for undertaking leasing, housing finance services and discounting services without the requirement of obtaining separate licenses for each form of business under the NBFC rules and regulations.

**LSEFSL** operates under the ambit of NBFC Rules and Regulations, and holds the license of investment finance services (IFS). Moreover, **LSEFSL** is continued to comply within the restrictions and requisite requirements placed by Integration Order 1/2016 by the Commission under Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012. However, status of NBFC can be changed, if approved by the shareholder/member through special resolution in the general meeting.

The registered office of the Company is located on 19 Khyaban-e-Aiwan-e Iqbal (old Kashmir-Egerton Road), Lahore. The Corporate Unique Identification Number (CUIN) of **LSEFSL** is 03252 and the date of incorporation is October 05, 1970.

Registered office	-	19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
External Auditors	-	Crowe Hussain Chaudhury & Co., Chartered Accountants

Legal Advisors	-	Zafar Pervaiz, Advocate High Court
Listing Status	-	Unlisted Public Limited Company

Financial position (audited) of **LSEFSL** as on June 30, 2023 is as follows:

<b>LSE Financial Services Limited</b>		<b>June 30, 2023</b>
Statement of Financial Position		<b>Rs. in 000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Deferred tax		7,284
Long term deposits		25,009
		<b>32,293</b>
<b>Current Assets</b>		
Trade and other receivables		18,045
Prepayments, deposits and advances		1,006
Short term investment		363,648
Advance income tax		44,319
Bank balances		51,844
		<b>478,862</b>
		-
<b>Total Assets</b>		<b>511,155</b>
		-
<b>AUTHORIZED SHARE CAPITAL</b>		<b>520,000</b>
<b>SHARE CAPITAL AND RESERVES</b>		
Issued, subscribed and paid-up share capital		100,000
- Unappropriated profit		718
		<b>100,718</b>
<b>Non-Current Liabilities</b>		
Other liabilities		3,848
		<b>3,848</b>
<b>Current Liabilities</b>		-
Trade and other payables		390,591
Lease liabilities-Current Portion		1,924
Deposit payable related to discontinued operations		14,073
		<b>406,589</b>
<b>Equity and Total Liabilities</b>		<b>511,155</b>
		-

## Ratio Analysis

Book Value	Rs./Share	10.07
Current Ratio	times	1.18
Debt-Equity Ratio	times	4.08

## 5. OBJECTIVES AND BENEFITS

### 1) Objective of the Scheme

#### a. Reorganization/Restructuring of MODAM

- i. Book value of **MODAM** per certificate is **Rs. 14.04** whereas its market value is **Rs. 3.65** per certificate (as on November 13, 2023).

	Rs. in 000
Certificate-Holders Equity	1,115,232
No. of Modaraba Certificates Outstanding	79,423,945
Book Value - Rs. / Certificate	14.04

- ii. Modaraba certificates are non-voting and trading volumes of Modaraba sector remains sluggish due to lack of interest from the investors/public.
- iii. **MODAM** is controlled and managed by **LSECAP**. Board of Directors of the Modaraba Company has already decided to change the focus of **MODAM** from lending to investments as reflected in the balance sheet of **MODAM**.
- iv. Tax exemption available to Modaraba sector is already withdrawn by the Federal government.
- v. Shariah Compliance can be made to the companies registered under Companies Act, 2017.
- vi. Operational and administrative synergies will be available if operations of **MODAM**, **LSEPL** and **LSECAP** are combined.
- vii. Thus, it is proposed in the Scheme that assets and liabilities (of **MODAM** as a transferor) to be transferred to **LSECAP** (as a transferee). In addition to the already licensed business activities, the requisite changes in the Memorandum of Association of **LSECAP** shall be made, if required, to accommodate the intended investments and activities of **MODAM** (as a transferor) in **LSECAP** (as a transferee).
- viii. Upon the completion of merger / amalgamation through the intended Scheme, the **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of **LSECAP** to the registered members/certificate-holders of **MODAM**.
- ix. Listing status of **MODAM** shall be transferred to **LSEFSL**.

**b. Reorganization/Restructuring of LSEPL**

- i. Book value of **LSEPL** per share is **Rs. 19.37** whereas its market value is **Rs. 3.34** per share (as on November 13, 2023).

	Rs. in 000
Shareholders' Equity	1,744,702
No. of Shares Outstanding	90,090,731
Book Value - Rs. / Certificate	19.37

- ii. **LSEPL** has limited revenue sources mainly derived from short term rental income and facility management fee. Combining the operations of **LSEPL**, **MODAM** with **LSECAP** will diversify the income stream and also provide the operational synergies as a whole.
- iii. Operational and administrative synergies will be available if operations of **MODAM**, **LSEPL** and **LSECAP** are combined.
- iv. Thus, it is proposed in the Scheme that assets and liabilities (of **LSEPL** as a transferor) to be transferred to **LSECAP** (as a transferee). In addition to the already licensed business activities, the requisite changes in the Memorandum of Association of **LSECAP** shall be made, if required, to accommodate the intended investments and activities of **LSEPL** (as a transferor) in **LSECAP** (as a transferee).
- v. Upon the completion of merger / amalgamation through the intended Scheme, the **LSEPL** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of **LSECAP** to the registered members/shareholders of **LSEPL**.
- vi. Listing status of **LSEPL** shall be transferred to **LSECAP**.

**c. Reorganization/Restructuring of LSECAP**

- i. **LSECAP** is unlisted public company engaged in limited activities. Operational and strategic synergies will be available if **MODAM** and **LSEPL** assets and undertaking are transferred to/ amalgamate with **LSECAP**.
- ii. Shariah Compliance can be made to the companies registered under Companies Act, 2017.
- iii. Registration as a Modaraba Company shall remain with the **LSECAP**.
- iv. Requisite changes in the Memorandum of Association of **LSECAP** shall be made to accommodate the undertaking and business of **MODAM** and **LSEPL** (as transferors) that will be transferred to **LSECAP** (as transferee).
- v. Upon the completion of merger / amalgamation through the intended Scheme, the **LSECAP** shall be listed on Pakistan Stock Exchange. Listing status of **LSEPL** shall be transferred to **LSECAP**.



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**d. Reorganization/Restructuring of LSEFSL**

- i. Designated assets (Schedule – 3) shall be transferred to **LSEFSL** (as a transferee) by **LSECAP** (as a transferor) against additional share capital of **LSEFSL**.
- ii. **LSEFSL** shall issue share capital to the shareholders of **LSECAP** and to the certificate-holders of **MODAM** as described in the Scheme.
- iii. **LSEFSL** shall issue additional capital to **LSECAP** and **LSECAP** shall issue additional capital to **LSEFSL** as described in the Scheme.
- iv. Upon the completion of merger / amalgamation through the intended Scheme, the **LSEFSL** shall be listed on Pakistan Stock Exchange.
- v. Listing status of **MODAM** shall be transferred to **LSEFSL**.

**2) Benefits of the Scheme**

**To LSECAP and its Shareholders:**

- a. **LSECAP** shall be listed on PSX by virtue of merger of **LSEPL** (as a transferor) with and into **LSECAP** (as a transferees).
- b. **LSECAP** will get shares of **LSEFSL**.
- c. Shareholders of **LSECAP** will get shares of **LSEFSL**.
- d. Shares of Digital Custodian Company Limited (owned by **LSECAP**) will be transferred (partially) to **LSEFSL** under the Scheme.
- e. Operational and strategic synergies will be available to **LSECAP** if all operations (of **LSEPL**, **MODAM** and **LSECAP**) are combined in terms of costs, efficiency and fund raising, if required.
- f. Shariah compliance of **MODAM** shall be made under Shariah Governance Regulations, 2018.
- g. The proposed merger will provide a broader shareholders' base which will be conducive in further fund raising, if required, from the capital market.

**To MODAM and its Certificate-holders:**

- a. Certificate-holders of **MODAM** will get shares of **LSECAP** (as per SWAP ratio) which will carry pari-passu rights (including voting rights).
- b. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.
- c. Modaraba Certificate-holders of **MODAM** will get shares of **LSEFSL** under the Scheme.
- d. The combined value (based on book value) of **LSECAP** shares that are being given to **MODAM**'s shareholders under the SWAP ratio is in excess of the current market value of **MODAM**'s shares. Thus, the certificate-holders of **MODAM** shall gain from the merger transaction.
- h. Shariah compliance of **LSECAP** shall be made under Shariah Governance Regulations, 2018.

- i. Upon the completion of merger / amalgamation through the intended Scheme, the **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of **LSECAP** to the registered members of **MODAM**.

**To LSEFSL and its Shareholders:**

- a. **LSEFSL** shall be listed on PSX by virtue of merger of **MODAM**'s listing status (as a transferor) with and into **LSEFSL** (as a transferee).
- b. Shares of Digital Custodian Company Limited shall be transferred (partially) to **LSEFSL** by **LSECAP**.
- c. **LSEFSL** will get Shares of **LSECAP** (as an additional share capital).
- d. The proposed merger and listing status will provide broad shareholders' base which will be conducive in fund raising, if required, from the capital market.
- e. **LSEFSL** shall continue to operate under the ambit of NBFC Rules and Regulations, and will continue to hold the license of investment finance services (IFS). Moreover, **LSEFSL** is continued to comply within the restrictions and requisite requirements placed by Integration Order 1/2016 by the Commission under Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012.

**To LSEPL and its Shareholders:**

- a. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.
- b. Operational and strategic synergies will be available to **LSECAP** if all operations (of **LSEPL**, **MODAM** and **LSECAP**) are combined in terms of costs, efficiency and fund raising, if required.
- c. Shariah compliance of **LSECAP** shall be made under Shariah Governance Regulations, 2018.
- d. The proposed merger will provide broad shareholders' base which will be conducive in fund raising, if required, from the capital market.
- e. Upon the completion of merger / amalgamation through the intended Scheme, the **LSEPL** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of **LSECAP** to the registered members of **LSEPL**.

**3) Book Value of the Companies/ Entities before and after the Scheme**

		Before Scheme / Merger			After Scheme		
		LSEPL	MODAM	LSECAP	LSEFSL	LSECAP	LSEFSL
Book Value	Rs./Share	19.37	14.04	14.08	10.07	15.14	10.90

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## ARTICLE – 1 - DEFINITIONS

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- I. In this Scheme of Arrangement (including the preamble hereto), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:
- (a) **“Act”** means the Companies Act, 2017;
  - (b) **“CDC”** means Central Depository Company of Pakistan limited
  - (c) **“Commission”** means the Securities and Exchange Commission of Pakistan including its regional offices;
  - (d) **“Completion”** or **“Completion Date”** means date when undertaking and business are transferred (as per Article – 3) from transferor to the Transferee within 120days of Sanction Date and shares are issued/ swapped / cancelled as per SWAP ratio determined in this Scheme (as per Article-4);
  - (e) **“Court”** means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Scheme;
  - (f) **“Distribution Ratio”** means ratio of shares of **LSE Financial Services Limited** to be distributed amongst shareholders of **LSE Capital Limited** and certificate-holders of **Modaraba AL-Mali** as described in Article-3;
  - (g) **“Effective Date”** means 00:00 hours as on **June 30, 2023** or such other date as may be approved by the Court on the request of the parties to this Scheme;
  - (h) **“LSECAP”** means the **LSE CAPITAL LIMITED**, a public limited company formed under the Companies Ordinance, 1984;
  - (i) **“LSEFSL”** means the **LSE FINANCIAL SERVICES LIMITED**, a public limited company formed under the Companies Ordinance, 1984;
  - (j) **“LSEPL”** means the **LSE PROPTECH LIMITED**, a public limited company formed under the Companies Act, 2017;
  - (k) **“MODAM”** means **Modaraba Al-Mali**, a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980;
  - (l) **“PSX”** means Pakistan Stock Exchange Limited;

- 
- (m) **“Rs.” or “PKR”** shall mean “Rupees”, being the legal tender money of the Islamic Republic of Pakistan;
  - (n) **“Sanction Date”** shall have the same meaning ascribed thereto in **Article 6**, being the day on which the honorable Lahore High Court approves the Scheme and on which day the Scheme becomes operative;
  - (o) **“Scheme”** means this Scheme of Arrangement in its present form, with any modification thereof or addition hereto, as approved by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meeting of members of the respective companies;
  - (p) **“SECP”** means the Securities and Exchange Commission of Pakistan;
  - (q) **“Undertaking and Business - LSEPL”** means the assets, undertaking, business, liabilities of the **LSE PROPTech LIMITED** (including shares allocated under the Scheme) as more particularly described in Schedule - 1 hereto;
  - (r) **“Undertaking and Business - MODAM”** means the assets, undertaking, business, liabilities of the **MODARABA AL-MALI** (including shares allocated under the Scheme) as more particularly described in Schedule - 2 hereto;
  - (s) **“Undertaking and Business - LSECAP”** means the assets, undertaking, business, liabilities of the **LSE CAPITAL LIMITED** (including shares allocated under the Scheme) as more particularly described in Schedule - 3 hereto;
- II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

## ARTICLE – 2 – EQUITY CAPITAL AND MANAGEMENT

### I. LSE PROPTech LIMITED

The authorized share capital of the Company is Rs. 1,500,000,000 divided into 150,000,000 of ordinary shares of Rs. 10/- each, out of which **90,090,731** ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
-	Cash	-
90,090,731	Consideration other than Cash – under Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017	900,907,310
-	Bonus Shares	-
90,090,731		900,907,310

(a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

	Category	No. of Shares	% holding
Modaraba Al-Mali	Sponsors	16,469,434	18.28%
LSE Ventures Limited	Sponsors	26,952,897	29.92%
Muhammad Iqbal	Sponsors	894,923	0.99%
Humera Muhammad Iqbal	Sponsors	7,066,036	7.84%
Acme Mills (Private) Limited	Sponsors	1,050,515	1.17%
Public and Investors	Others/ Investors	37,656,926	41.80%
		<b>90,090,731</b>	

(b) Total number of shareholders of **LSEPL** as of the Effective Date is **1,516**.

(c) The Share Capital of the **LSEPL** will not be changed for Ordinary Shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.

(d) Complete list of the shareholders is attached as **Schedule – 4** (List of Shareholders);

(e) The Board of Directors of the Company (**LSEPL**) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Habib Ur Rehman Gilani	Chairman/ Independent Director
2.	Mr. Aftab Ahmad Chaudhry	Chief Executive Officer /Director

3.	Mr. Kashif Shabbir	Independent Director
4.	Ms. Maleeha Mimi Bangash	Independent Director
5.	Mr. Ghulam Mustafa	Non-Executive Director
6.	Mr. Khalid Waheed	Non-Executive Director
7.	Mr. Rizwan Ejaz	Non-Executive Director

**Impact of the Scheme: -**

- (f) The Share Capital of **LSECAP** shall be given to the shareholders of **LSEPL** under the SWAP ratio.
- (g) On the completion of the merger / amalgamation and after the issuance of shares of **LSECAP** to the registered members of **LSEPL**, **LSEPL** will be dissolved by the order of the Honorable Lahore High Court, without winding up.
- (h) The Shares of **LSECAP** to be issued to the registered member of **LSEPL** shall be as following;

<b>No. of Shares Outstanding</b>	<b>90,090,731</b>
No. of Shares of <b>LSECAP</b> to be issued to the shareholders of <b>LSEPL</b>	74,775,306
SWAP Ratio (No. of Shares of <b>LSECAP</b> against every One share of <b>LSEPL</b> )	0.83

- (i) The Undertaking and Business - **LSEPL** shall be transferred to **LSECAP** (as described in Schedule - 1).
- (j) Listing status of **LSEPL** shall be transferred to **LSECAP**.
- (k) Board of Directors of **LSECAP** shall be given power to execute, on behalf of **LSEPL**, the deeds/ documents for the transfer of assets, liabilities and reserves of **LSEPL**.
- (l) Authorized capital of **LSEPL** shall be merged with **LSECAP** and **LSEFSL**.

**II. MODARABA AL-MALI**

The authorized Modaraba certificate capital of the Modaraba is Rs. 920,000,000 divided into 92,000,000 of Modaraba certificates of Rs. 10/- each, out of which **79,423,945** certificates are fully paid and issued, (however, upon the right issuance after effective date, the certificate capital of the **MODAM** is Rs. **908,169,150**, divided into **90,816,915** Modaraba certificates) as follows:

No. of Shares Issued	Issued for/Against	Rs.
<b>74,569,000</b>	Cash	<b>745,690,000</b>
<b>166,545</b>	Consideration other than Cash	<b>1,665,450</b>



<b>4,688,400</b>	Bonus Modaraba Certificates	<b>46,884,000</b>
<b>79,423,945</b>		<b>794,239,450</b>

- (a) The total number of certificate-holders of **MODAM**, as of the Effective Date is **3,890**.
- (b) The Board of Directors of the **MODAM** as appointed by the **LSECAP** before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Usman Hassan	Chairman/ Independent
2.	Mr. Siddique-ur Rehman Khurram	Chief Executive Officer
3.	Ms. Aasiya Riaz	Independent Director
4.	Mr. Hussain Ozgen	Independent Director
5.	Mr. Hafiz Mudassir Alam	Non-Executive Director
6.	Mr. Muhammad Usman	Non-Executive Director
7.	Mr. Aoun Muhammad	Non-Executive Director

- (c) Pattern of certificate-holding of the Modaraba Certificate held by the Certificate-holders as of Effective Date is as follows:

	No. of Certificates	% holding	After Right Issue	
			No. of Certificates	% holding
LSE Capital Limited	9,103,703	11.46%	15,496,673	17.06%
Digital Custodian Company Limited	7,943,905	10.00%	12,943,905	14.25%
Others	62,376,337	78.54%	62,376,337	68.68%
	<b>79,423,945</b>		<b>90,816,915</b>	

- (d) Complete list of the certificate-holders is attached as **Schedule – 4** (List of Certificate-holders);
- (e) The certificate Capital of the Modaraba (**MODAM**) can be changed for Modaraba Certificates under the Scheme as described in Article-3 and the post right certificate capital of the **MODAM** is Rs. **908,169,150** (divided into **90,816,915** Modaraba certificates). Moreover, the pattern of shareholding can be changed till the Sanction Date.
- (f) Investment by **LSECAP** in the Modaraba Certificates of **MODAM** shall be given to the shareholders of **LSECAP**.
- (g) Investment by **MODAM** in the equity shares of **LSEPL** shall be given to the certificate-holders of **MODAM**.

- (h) Shares of **LSEFSL** shall be given to the certificate-holders of **MODAM** as per the distribution ratio described in the Scheme.
- (i) On the completion of merger / amalgamation and after the issuance of shares of **LSECAP** to the registered members of **MODAM**, **MODAM** will be dissolved by the order of the Honorable Lahore High Court, without winding up.
- (j) The Shares of **LSECAP** to be issued to the registered member of **MODAM** is as follows;

<b>No. of Modaraba Certificates Outstanding</b>	<b>90,816,915</b>
No. of Shares of <b>LSECAP</b> to be issued to the shareholders of <b>MODAM</b>	75,378,039
SWAP Ratio (No. of Shares of <b>LSECAP</b> against every One certificate of <b>MODAM</b> )	0.83

- (k) The Undertaking and Business - **MODAM** shall be transferred to **LSECAP** (as described in Schedule - 2).
- (l) Listing status of **MODAM** shall be transferred to **LSEFSL**.
- (m) Authorized capital of **MODAM** shall be merged with **LSECAP** and **LSEFSL**.
- (n) Share of **LSEFSL** to be issued under SWAP ratio to the certificate-holders of **MODAM** as follows:

No. of Shares of **LSEFSL** to the Certificate-holders of Modaraba Al-Mali Nos. **5,905,842**  
**Distribution Ratio** - **65.03** shares of **LSEFSL** against 1,000 certificate of **MODAM**

### III. **LSE CAPITAL LIMITED**

The authorized share capital of the Company is Rs. 250,000,000 divided into 25,000,000 of ordinary shares of Rs. 10/- each, out of which **21,000,000** shares are fully paid and issued as follows:

<b>No. of Shares Issued</b>	<b>Issued for/Against</b>	<b>Rs.</b>
<b>21,000,000</b>	<b>Cash</b>	<b>210,000,000</b>
-	<b>Consideration other than Cash</b>	-
-	<b>Bonus Shares</b>	-
<b>21,000,000</b>		<b>210,000,000</b>

- (a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

	No. of Shares	% holding
Zahid Latif Khan	7,350,000	35.00%
Aftab Ahmad Chaudhry	7,349,994	35.00%
Aslam Khaliq	4,200,000	20.00%
Amir Zia	2,100,000	10.00%
Others	6	0.00%
	<b>21,000,000</b>	

- (b) Complete list of the shareholders is attached as **Schedule – 4** (List of Shareholders);
- (c) Total number of shareholders of **LSECAP**, as of the Effective Date is **11**.
- (d) The Share Capital of the **LSECAP** can be changed for Ordinary Shares under the Scheme as described in Article-3 and the post right certificate capital of the **LSECAP** is Rs. **210,000,000** (divided into **21,000,000** Ordinary Shares). However, the pattern of shareholding can be changed till the Sanction Date.
- (e) The Board of Directors of the Company (**LSECAP**) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Usman Hassan	Chairman/ Independent
2.	Mr. Siddique-ur Rehman Khurram	Chief Executive Officer
3.	Ms. Aasiya Riaz	Independent Director
4.	Mr. Hussain Ozgen	Independent Director
5.	Mr. Hafiz Mudassir Alam	Non-Executive Director
6.	Mr. Muhammad Usman	Non-Executive Director
7.	Mr. Aoun Muhammad	Non-Executive Director

- (f) Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of **LSECAP** at PSX.

**Impact of the Scheme: -**

- (g) The Share Capital of **LSECAP** shall be given to **LSEPL** and **MODAM** as per the SWAP ratio.
- (h) Share Capital of **LSECAP** (**10,000,000** ordinary shares) shall be given to **LSEFSL**.

## Reconciliation - No. of Shares

	<b>LSECAP</b>
Ordinary Shares before Scheme Implementation	21,000,000
Shares to be Issued to the Shareholders of <b>LSEPL</b>	74,775,306
Shares to be Issued to the Certificate-holders of <b>MODAM</b>	75,378,039
Shares to be issued to <b>LSEFSL</b>	10,000,000
<b>Ordinary Shares after Implementation of the Scheme</b>	<b>181,153,345</b>

- (m) **LSECAP** shall continue to operate its existing operations. Requisite changes in the Memorandum of Association of **LSECAP** shall be allowed and be made to accommodate additional/ extended operations of **LSEFSL** and **MODAM**.
- (n) After the Scheme, **LSECAP** shall operate as a public listed entity.
- (o) Goodwill and any capital reserve (merger reserves), if any, may arise on amalgamation in the books of **LSECAP** under the Scheme as mentioned in Article – 4.
- (p) The existing Board of Directors shall continue after the sanction of the Scheme. The next election for the directors of **LSECAP** shall take place under Section 159 and 166 of the Companies Act, 2017, on or before May 10, 2026.
- (q) Moreover, no cross holding shall exist between **LSECAP** and **MODAM** as described in Article – 3.
- (r) Moreover, no cross holding shall exist between **LSECAP** and **LSEPL** as described in Article – 3.
- (s) Additional number of shares (10,000,000) of **LSECAP** shall be issued to the **LSEFSL**.
- (t) The authorized capital after the Sanction Date shall be as follows:

	Par Value / Nominal Per Share/Certificate	No. of Shares / Certificate		in PKRs. 000	
		Before Scheme	After Scheme	Before Scheme	After Scheme
LSE Proptech Limited	10.00	150,000,000		1,500,000	
Modaraba Al-Mali	10.00	92,000,000		920,000	
LSE Capital Limited	10.00	25,000,000	200,000,000	250,000	2,000,000
LSE Financial Services Limited	10.00	52,000,000	119,000,000	520,000	1,190,000

- (u) **LSE Proptech Limited** and **Modaraba Al-Mali** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.

(v) Share of **LSEFSL** to be issued under SWAP ratio to the shareholders of **LSECAP** as follows:

No. of Shares of **LSEFSL** to the Shareholders of **LSECAP** Nos. **9,771,736**

**Distribution Ratio** - **465.32** shares of **LSEFSL** against 1,000 share of **LSECAP**

(w) Additional number of shares (10,000,000) of **LSEFSL** shall be issued to the **LSECAP**. These additional shares shall be distributed to the shareholders of **LSECAP** as follows:

No. of Shares of **LSEFSL** to the Shareholders of **LSECAP** Nos. **10,000,000**

**Distribution Ratio** - **476.19** shares of **LSEFSL** against 1,000 share of **LSECAP**

#### IV. **LSE FINANCIAL SERVICES LIMITED**

The authorized share capital of the Company is Rs. 520,000,000 divided into 52,000,000 of ordinary shares of Rs. 10/- each, out of which **10,000,000** shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
-	Cash	-
10,000,000	Consideration other than Cash - under Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017	100,000,000
-	Bonus Shares	-
10,000,000		100,000,000

(i) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

	No. of Shares	% holding
LSE Ventures Limited	10,000,000	100.00%
	<b>10,000,000</b>	

(j) Complete list of the shareholders is attached as **Schedule – 4** (List of Shareholders);

(k) Total number of shareholders of LSEFSEL, as of the Effective Date is **1**.

(l) The Share Capital of the **LSECFSL** will not be changed for Ordinary Shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.

(m) The Board of Directors of the Company (**LSEFSL**) before the Scheme is as follows:

Sr. No.	Name of Director	Category
1.	Mr. Zahid Latif Khan	Chairman/Independent Director
2.	Mr. Ghulam Mustafa	Chief Executive Officer
3.	Mr. Aftab Ahmad Ch.	Non-Executive Director
4.	Mr. Ammar ul Haq	Non-Executive Director
5.	Mr. Asif Baig Mirza	Non-Executive Director
6.	Ms. Huma Ejaz	Independent Director
7.	Mr. Rizwan Ejaz	Independent Director
8.	Mr. Muhammad Iqbal	Non-Executive Director
9.	Mr. Khalid Waheed	Non-Executive Director
10.	Mr. Shahnawaz Mahmood	Independent Director
11.	Mr. Salman Majeed Sheikh	Non-Executive Director
12.	Syed Muhammad Talib Rizvi	Non-Executive Director

(n) Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of **LSEFSL** at PSX.

(o) Fresh election under Section 162 of the Companies Act, 2017 was held on November 21, 2023 and following Board of Directors are elected (subject to the approval of SECP):

Sr. No.	Name	Category
1	Mr. Aftab Ahmad	Non-Executive Director
2	Mr. Amir Zia	Non-Executive Director
3	Rana Naveed Ahmad	Non-Executive Director
4	Ms. Aasiya Riaz	Non-Executive Director
5	Mr. Muhammad Sajjad Hyder	Non-Executive Director
6	Mr. Muhammad Usman	Non-Executive Director
7	Mr. Adil Jahangir Syed	Non-Executive Director
8	Syed Jawwad Ahmad	Non-Executive Director
9	Mr. Gohar Rehman Mirza	Independent Director
10	Mr. Muhammad Iqbal	Independent Director / Chairman
11	Ms. Huma Ejaz	Independent Director
12	Mr. Ghulam Mustafa	Chief Executive Officer



The names of the above directors have already been sent to SECP for approval under the Fit and Proper Criteria of the NBFC Regulations, which shall become effective from the date of the instant EOGM.

- (p) Moreover, the shareholders in their meeting held on November 21, 2023 have also unanimously decided to change the name of the company to **LSE Finance Limited**. Besides, the shareholders have also resolved to adopt the change in the Memorandum and Articles of Association of the Company, for enabling the start of business as a "Professional Clearing Member or PCM" upon registration from the Commission under the relevant regulations which allow an IFS holding NBFC to register itself as a PCM.

**Impact of the Scheme: -**

- (q) Shares of Digital Custodian Company Limited shall be transferred to **LSEFSL** by **LSECAP** as follows:

No. of Shares	Carrying Value (Rs. in 000)	Rate
18,817,917	188,131	10.00

**LSECAP** has made payment of Rs. 41.00 million to InfoTech (Private) Limited to purchase **19,288,362** shares of Digital Custodian Company Limited. Transfer of shares of Digital Custodian Company Limited from InfoTech (Private) Limited to LSE Capital Limited shall be allowed and out of which **18,817,917** shares (of Digital custodian company Limited) shall be transferred to **LSEFSL** under the Scheme.

- (r) In exchange of this asset (equity shares of **Digital Custodian Company Limited** as described in Schedule – 3), **LSEFSL** shall issue additional shares as follows:

No. of Shares	Issue Price (Rs. / Share)	Share Premium	Total Value (Rs. in 000)
15,677,578	Rs. 12/-	Rs. 2/-	188,131

- (s) **Distribution Ratio** : Shares will be issued/ distributed as follows:

To the Shareholders/ Certificate-holders of	No. of Shares / Certificates	Distribution Ratio
LSE Capital Limited	9,771,736	<b>465.32</b> shares of <b>LSEFSL</b> against 1,000 shares of <b>LSECAP</b>
Modaraba Al-Mali	5,905,842	<b>65.03</b> shares of <b>LSEFSL</b> against 1,000 certificates of <b>MODAM</b>

- (t) Additional number of shares (10,000,000) of **LSEFSL** shall be issued to the **LSECAP**.

**LSECAP shall distribute (Distribution Ratio) these shares to the shareholders of LSECAP as follows:**

To the Shareholders of	No. of Shares	Distribution Ratio
LSE Capital Limited	10,000,000	<b>476.19</b> shares of <b>LSEFSL</b> against 1,000 shares of <b>LSECAP</b>

(u) Summary of the Issue of Shares will be as follows;

<b>Share of LSEFSL to be issued as an additional capital</b>	Nos.	25,677,578
To the Shareholders of LSE Capital Limited	Nos.	9,771,736
To the Certificate-holders of Modaraba Al-Mali	Nos.	5,905,842
To the LSE Capital Limited	Nos.	10,000,000
Distribution to the Shareholders of LSE Capital Limited	Nos.	(10,000,000)
To the Shareholders of LSE Capital Limited	Nos.	10,000,000
Share Capital of <b>LSEFSL</b> before the Scheme	Nos.	10,000,000
<hr/>		
Share Capital of <b>LSEFSL</b> after the Scheme	Nos.	35,677,578
The Undertaking and Net Assets of <b>LSECAP</b> to <b>LSEFSL</b> (Schedule – 3)	Rs. 000	288,131

(v) Authorized share capital of **LSEFSL** after sanction date of the Scheme shall be Rs. **1,190,000,000** divided into **119,000,000** ordinary shares of Rs. 10/- each.

(w) Listing status of **MODAM** shall be transferred to **LSEFSL**. **LSEFSL** shall be listed at PSX.

(x) Issuance of shares against designated assets (as described in Schedule – 3 The Undertaking and Net Assets of LSE Capital Limited to LSE Financial Services Limited) is not offer of shares for any consideration other than cash in terms of Rule 7(2)(i) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Moreover, shares of **LSECAP** will be listed shares (i.e. liquid assets) and shares of Digital Custodian Company Limited can be listed (by **LSECAP** and **LSEFSL** being majority shareholders under the Scheme), if required to create the liquid asset.

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## ARTICLE – 3 – THE SCHEME OF ARRANGEMENT

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### GENERAL

- I. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act for the transfer and vesting of :
  - a. The Undertaking and Business - **LSEPL** (as a transferor) into **LSECAP** (as transferee) as given in Schedule – 1. Upon the completion of merger / amalgamation through the intended Scheme, **LSEPL** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/shareholders of **LSEPL**.
  - b. The Undertaking and Business - **MODAM** (as a transferor) into **LSECAP** (as transferee) as given in Schedule – 2. Upon the completion of merger / amalgamation through the intended Scheme, **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/certificate-holders of **MODAM**.
  - c. The listing status of **MODAM** shall be transferred to **LSEFSL** and listing status of **LSEPL** shall be transferred to **LSECAP** under the Scheme.
  - d. The Undertaking and Business of **LSECAP** (as a transferor) into **LSEFSL** (as transferees) as given in Schedule – 3.
  - e. Cross holding of equity shares between **LSECAP** and **LSEFSL** shall be created as described under the Scheme.
- II. Requisite changes in the Memorandum of Association of **LSECAP** shall be allowed and be made to accommodate additional/ extended operations of **LSEPL** and **MODAM**. The Board of Directors of **LSECAP** is empowered to make requisite changes in the Memorandum and Articles of Association of the **LSECAP**.
- III. The transferee (**LSECAP**) shall be bound to discharge any liability in respect of the assets acquired and any liability in respect of the assets shall not exceed the transferors' (**LSEPL** and **MODAM**) cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal takes place.
- IV. The transferee (**LSEFSL**) shall be bound to discharge any liability in respect of the assets acquired and any liability in respect of the assets shall not exceed the transferor's (**LSECAP**) cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal takes place.

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- V. Retained earnings, revenue reserves, capital reserves of **MODAM**, **LSECAP** and **LSEPL** shall be re-characterized/ reconstructed under the Scheme as described in Schedule-5 - Statement of Financial Position showing Merger Effect.
- VI. Assets, liabilities and undertaking (as per Schedule 1) of **LSEPL** will be transferred to **LSECAP** with same rights, obligations, privileges and covenants. Moreover, Shares of **LSECAP** shall be issued to the shareholders of **LSEPL** through merger functionality of CDC. Thus same status and encumbrance attached to the **LSEPL** shares shall be attached/transferred to the shares of **LSECAP** for those shareholders.
- VII. Assets, liabilities and undertaking (as per Schedule 2) of **MODAM** will be transferred to **LSECAP** with same rights, obligations, privileges and covenants. Moreover, Shares of **LSECAP** shall be issued to the certificate-holders of **MODAM** through merger functionality of CDC. Thus same status and encumbrance attached to the **MODAM** shares shall be attached/transferred to the shares of **LSECAP** for those certificate-holders.
- VIII. Assets, liabilities and undertaking (as per Schedule 3) of **LSECAP** will be transferred to **LSEFSL** with same rights, obligations, privileges and covenants. Moreover, Shares of **LSEFSL** shall be issued to the certificate-holders of **MODAM** and to the shareholders of **LSECAP**.
- IX. Shares of **LSEFSL** shall be issued to **LSECAP** (for further distribution to the shareholders of **LSECAP**) and shares of **LSECAP** shall be issued to **LSEFSL** as described in the Scheme.
- X. After merger (and after issuance of shares of **LSECAP** to the shareholders of **LSEPL** and to the certificate-holder of **MODAM**), the shareholders of **LSECAP** can change/ amend the business/principal line of business of merged entity (**LSECAP**) by following the relevant laws and regulations.
- XI. Upon the completion of merger / amalgamation through the intended Scheme, **LSEPL** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/shareholders of **LSEPL**.
- XII. Upon the completion of merger / amalgamation through the intended Scheme, **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/certificate-holders of **MODAM**.

#### **TRANSFER OF THE UNDERTAKING AND BUSINESS FROM LSEPL TO LSECAP**

- XIII. The Undertaking and Business of **LSEPL** shall be transferred and vested in **LSECAP** in the following manner:

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- a. The designated immovable (including land, building, usufruct with all equitable and legal rights) and movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule – 1 (The Undertaking and Net Assets of **LSEPL** to **LSECAP**) shall stand transferred/vested to **LSECAP** from **LSEPL**. Generally, these net assets include land, building, equipment, investment property, cash and bank balances, revaluation reserves and related liabilities.
  - b. The Undertaking of **LSEPL**, including land, building, usufruct with all equitable and legal rights, as at the effective date shall, without any further act, Instrument or deed, be and the same shall stand transferred/vested to and be vested or deemed to have been transferred to or vested in **LSECAP** on the Effective Date.
  - c. Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force, no stamp duty shall be payable on transfer to the transferee company (i.e. **LSECAP**) of the whole or any part of the undertaking and of the property of any transferor company (i.e. **LSEPL**) as a result of sanctioning of the Scheme by the honorable Court.
  - d. The transfer / vesting shall be subject to the existing rights (equitable and legal rights), charges mortgages and hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of **LSEPL**. The land shall stand transferred/vested in the name of **LSECAP** upon completion of all legal and regulatory procedures/Clearance from the Lahore Development Authority.
  - e. Existing land of **LSEPL** situated at 19-Khayaban-Aiwan-e-Iqbal, Lahore is under transfer process with Lahore Development Authority from **LSEFSL** to **LSEPL**. If said transfer is not effectuated till Sanction date of the Scheme, then said land with all usufruct and building shall directly be transferred (after Sanction Date) from **LSEFSL** (with all equitable and legal rights) to **LSECAP** without any additional charge or taxes.
  - f. Such assets of **LSEPL**, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of **LSECAP** as its integral part. All the bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, any further act or deed by the **LSECAP**.
  - g. All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or other agency to the **LSEPL** with the respective benefits including the deposits and prepayments, Government approvals, (if

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- any) will stand transferred without any additional charges/costs to the **LSECAP**. The security deposits and any other cost paid by **LSECAP** against any of these and other existing facilities shall remain unchanged and the charge of name shall take place without any additional fee, charges or costs whatsoever and without any delay.
- h. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the **LSEPL** shall stand transferred to **LSECAP**.
  - i. All the titles of land and other immovable property registered in the name of the **LSEPL** will stand transferred in the name of **LSECAP**. However, the existing land and building of **LSEPL**, after transfer to **LSECAP**, shall not be disposed of without the prior written approval of the Commission.
  - j. The lease rights (short term and long term), equitable rights, legal rights given by **LSEPL** to the third parties shall be transferred (with all rights and obligations) from **LSEPL** to **LSECAP**.
  - k. The existing land and building of **LSEPL**, transferred to **LSECAP** under this Scheme, shall be retained by **LSECAP** and the disposal thereof shall not be allowed without the prior written approval of the SECP. This restriction shall be included in the Memorandum of Association of **LSECAP**.
  - l. Undertaking and Business – **LSEPL** (Schedule-1) is transferred/vested to **LSECAP**. If required, requisite changes in the Memorandum of Association of **LSECAP** shall be allowed and be made to accommodate additional/ extended operations of **LSEPL**.
  - m. Listing status of **LSEPL** at PSX shall be transferred to **LSECAP**. The shares of **LSE CAPITAL LIMITED** shall stand listed on PSX. As the shares of **LSEPL** are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of **LSECAP** shall be also be the eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC").

#### **TRANSFER OF THE UNDERTAKING AND BUSINESS FROM MODAM TO LSECAP**

- XIV. The Undertaking and Business of **MODAM** shall be transferred and vested in **LSECAP** in the following manner:
- a. The designated immovable (including land, building, usufruct with all equitable and legal rights) and movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule – 2 (The Undertaking and Net Assets of **MODAM** to **LSECAP**) shall stand transferred/vested to **LSECAP** from **MODAM**. Generally, these net assets include land,



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building, equipment, investment property, investment in shares, cash and bank balances, revaluation reserves and related liabilities.

- b. The Undertaking of **MODAM**, including land, building, usufruct with all equitable and legal rights, as at the effective date shall, without any further act, Instrument or deed, be and the same shall stand transferred/vested to and be vested or deemed to have been transferred to or vested in **LSECAP** on the Effective Date.
- c. Notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force, no stamp duty shall be payable on transfer to the transferee company (i.e. **LSECAP**) of the whole or any part of the undertaking and of the property of any transferor company (i.e. **MODAM**) as a result of sanctioning of the Scheme by the honorable Court.
- d. The transfer / vesting shall be subject to the existing rights (equitable and legal rights), charges mortgages and hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of **MODAM**. The land shall stand transferred/vested in the name of **LSECAP** upon completion of all legal and regulatory procedures/Clearance from the Lahore Development Authority.
- e. Such assets of **MODAM**, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of **LSECAP** as its integral part. All the bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, any further act or deed by the **LSECAP**.
- f. All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or other agency to the **MODAM** with the respective benefits including the deposits and prepayments, Government approvals, (if any) will stand transferred without any additional charges/costs to the **LSECAP**. The security deposits and any other cost paid by **LSECAP** against any of these and other existing facilities shall remain unchanged and the change of name shall take place without any additional fee, charges or costs whatsoever and without any delay.
- g. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the **MODAM** shall stand transferred to **LSECAP**.
- h. All the titles of land and other immovable property registered in the name of the **MODAM** will stand transferred in the name of **LSECAP**.

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- i. The lease rights (short term and long term), equitable rights, legal rights given by **MODAM** to the third parties shall be transferred (with all rights and obligations) from **MODAM** to **LSECAP**.
  - j. Undertaking and Business – **MODAM** (Schedule-2) is transferred/vested to **LSECAP**. If required, requisite changes in the Memorandum of Association of **LSECAP** shall be allowed and be made to accommodate additional/ extended operations of **MODAM**.

#### **TRANSFER OF THE UNDERTAKING AND BUSINESS FROM LSECAP AND MODAM TO LSEFSL**

- XV. The Undertaking and Business of **LSECAP** shall be transferred and vested in **LSEFSL** in the following manner:
  - a. The designated movable (including equity shares of Digital Custodian Company Limited with all equitable and legal rights) and other movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule – 3 (The Undertaking and Net Assets of **LSECAP** to **LSEFSL**) shall stand transferred/vested to **LSEFSL** from **LSECAP**. Generally, these net assets include investment in shares, cross holding of shares, revaluation reserves and related liabilities.
  - b. Listing status of **MODAM** at PSX shall be transferred to **LSEFSL**. The shares of **LSE FINANCIAL SERVICES LIMITED** shall stand listed on PSX. As the Modaraba Certificates of **MODAM** are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of **LSEFSL** shall be also be the eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC").
  - c. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the **MODAM** shall stand transferred to **LSECAP**.

#### **CONDUCT OF BUSINESS BY LSEPL TILL THE COMPLETION DATE**

- XVI. Till the Sanction Date, **LSEPL** shall not sell, transfer or dispose of any of its Undertaking and Business.
  - (i) The amalgamation / merger in accordance with this Scheme shall be treated as having taken effect from the Sanction Date and as from that time and until the Effective Date when **LSEPL**'s Undertaking and Business is transferred to and vested in **LSECAP**.
  - (ii) **LSEPL** shall carry on and be deemed to carry on all its business and activities, if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for **LSECAP**

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and all the profits accruing to **LSEPL** or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of **LSECAP**.

- (iii) It is hereby undertaken by **LSEPL** that it will carry on its business with reasonable diligence and business prudence, until the Sanction Date and it shall not alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective Undertakings and Business or any part thereof except, in the ordinary course of business, or without the prior written consent of the Board of Directors of **LSECAP**.

#### **CONDUCT OF BUSINESS BY MODAM TILL THE COMPLETION DATE**

- XVII. Till the Sanction Date, **MODAM** shall not sell, transfer or dispose of any of its Undertaking and Business.

- (iv) The amalgamation / merger in accordance with this Scheme shall be treated as having taken effect from the Sanction Date and as from that time and until the Effective Date when **MODAM's** Undertaking and Business is transferred to and vested in **LSECAP**.

- (v) **MODAM** shall carry on and be deemed to carry on all its business and activities, if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for **LSECAP** and all the profits accruing to **MODAM** or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of **LSECAP**.

- (vi) It is hereby undertaken by **MODAM** that it will carry on its business with reasonable diligence and business prudence, until the Sanction Date and it shall not alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective Undertakings and Business or any part thereof except, in the ordinary course of business, or without the prior written consent of the Board of Directors of **LSECAP**.

#### **CONDUCT OF BUSINESS BY LSECAP (FOR TRANSFER OF SHARES TO LSEFSL) TILL THE COMPLETION DATE**

- XVIII. Till the Sanction Date, **LSECAP** shall not sell, transfer or dispose of designated assets (Schedule-3). Moreover, transfer process of transferring shares of Digital Custodian Company Limited from InfoTech (Private) Limited (against the consideration already paid by **LSECAP**) to **LSECAP** can be initiated.

#### **DETERMINATION OF THE UNDERTAKING AND BUSINESS**

- XIX. A balance sheet:
- (i) has been prepared by **LSEPL** (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEPL**, as reflected in the books of account of **LSEPL**

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immediately preceding the Effective Date and report of agreed upon procedures from the Auditors has been taken on the books of accounts. Since **LSEPL** is listed Company, its accounts are publicly available and have already been disseminated to the shareholders through Pakistan Stock Exchange Limited;

- (ii) shall be prepared by **LSEPL** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEPL**, as reflected in the books of account of **LSEPL** as of the Sanction Date and which shall be audited by the Auditors of **LSEPL**, within sixty (60) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **LSEPL**.

XX. A balance sheet:

- (i) has been prepared by **MODAM** (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **MODAM**, as reflected in the books of account of **MODAM** immediately preceding the Effective Date and report of agreed upon procedures from the Auditors has been taken on the books of accounts. Since **MODAM** is listed Company, its accounts are publicly available and have already been disseminated to the shareholders through Pakistan Stock Exchange Limited;
- (ii) shall be prepared by **MODAM** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **MODAM**, as reflected in the books of account of **MODAM** as of the Sanction Date and which shall be audited by the Auditors of **MODAM**, within sixty (60) days of the Sanction Date;
- (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **MODAM**.

XXI. A balance sheet:

- (i) has been prepared by **LSECAP** (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSECAP**, as reflected in the books of account of **LSECAP** immediately preceding the Effective Date and which has been audited by the Auditors of **LSECAP**;

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- (ii) shall be prepared by **LSECAP** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSECAP**, as reflected in the books of account of **LSECAP** as of the Sanction Date and which shall be audited by the Auditors of **LSECAP**, within sixty (60) days of the Sanction Date;
  - (iii) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **LSECAP**.
  - (iv) The Statement of Financial Position showing the Merger Effect shall be prepared by the Board of Directors based on the audited financial statement as on Sanction Date that will show the assets, liabilities, reserves (the Undertaking and Net Assets of **LSEPL** and **MODAM**) shall be transferred on the Sanction Date and this Statement will be certified by the practicing Chartered Accountant.

XXII. A balance sheet:

- (iv) has been prepared by **LSEFSL** (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEFSL**, as reflected in the books of account of **LSEPL** immediately preceding the Effective Date and report of agreed upon procedures from the Auditors has been taken on the books of accounts.
- (v) shall be prepared by **LSEFSL** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEPL**, as reflected in the books of account of **LSEFSL** as of the Sanction Date and which shall be audited by the Auditors of **LSEFSL**, within sixty (60) days of the Sanction Date;
- (vi) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **LSEFSL**.
- (vii) The Statement of Financial Position showing the Merger Effect shall be prepared by the Board of Directors of **LSECAP** based on the audited financial statement as on Sanction Date that will show the assets, liabilities, reserves (the Undertaking and Net Assets of **LSECAP** that is to be transferred to **LSEFSL** and requisite cross holding) shall be transferred on the Sanction Date and this Statement will be certified by the practicing Chartered Accountant.

## ARTICLE – 4 – SHARES

### CONSIDERATION

- I. Upon the Scheme being effective in terms of the order of the Court, shares shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument as a consideration for the transfer to and vesting of the Undertaking and Business of **LSE PROPTech LIMITED** in the **LSE CAPITAL LIMITED** as defined in the Scheme.
- II. The Shares issuance shall be as under:

**a. SHARES ISSUANCE BY LSE CAPITAL LIMITED (LSECAP) TO THE SHAREHOLDERS OF LSE PROPTech LIMITED (LSEPL)**

<b>LSE PROPTech LIMITED</b>	
<b>No. of Shares Outstanding</b>	<b>90,090,731</b>
No. of Shares of <b>LSECAP</b> to be issued to the shareholders of <b>LSEPL</b>	74,775,306
SWAP Ratio: No. of Shares of <b>LSEPL</b> against One Share of <b>LSECAP</b>	0.83

#### **LSE Proptech Limited**

	<b>Rs. in 000</b>
Non-Current Assets	1,684,611
Current Assets	91,350
Less:	
Liabilities	(57,792)
<b>Net Assets to be transferred</b>	<b>1,718,169</b>
 Shares of <b>LSECAP</b> to be Issued to the shareholders of <b>LSEPL</b>	 747,753
Transfer of Reserves	817,262
Merger Reserves	153,154
	<b>1,718,169</b>

- III. Upon the Scheme being effective in terms of the order of the Court, shares shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument as a consideration for the transfer to and vesting of the Undertaking and Business of **MODARABA AL-MALI** in the **LSE CAPITAL LIMITED** as defined in the Scheme.
- IV. The Shares issuance shall be as under:

a. **SHARES ISSUANCE BY LSE CAPITAL LIMITED (LSECAP) TO THE CERTIFICATE-HOLDERS OF LSE MODARABA AL-MALI**

<b>MODARABA AL-MALI</b>	
<b>No. of Modaraba Certificates Outstanding</b>	<b>90,816,915</b>
No. of Shares of <b>LSECAP</b> to be issued to the certificate-holders of <b>LSEPL</b>	75,378,039
SWAP Ratio: No. of Certificates of <b>MODAM</b> against One Share of <b>LSECAP</b>	0.83

**Modaraba Al-Mali**

	<b>Rs. in 000</b>
Non-Current Assets	941,630
Current Assets	203,833
Less:	
Liabilities	(299,854)
Net Assets to be transferred	<b>845,609</b>
Shares of <b>LSECAP</b> to be Issued to the Certificate-holders of <b>MODAM</b>	753,780
Transfer of Reserves	(62,560)
Merger Reserves	154,389
	<b>845,609</b>

V. **LSECAP** shall issue additional capital to **LSEFSL** and total position of share capital will be as following:

		<b>Before Scheme Shares / Certificates</b>	<b>Shares of LSECAP under the Scheme</b>
To the Shareholders LSE PropTech Limited	Nos.	90,090,731	74,775,306
To the Certificate-holders Modaraba Al-Mali	Nos.	90,816,915	75,378,039
LSE Financial Services Limited			10,000,000
			<b>160,153,345</b>
Share Capital of LSE Capital Limited	Nos.	Before Scheme	21,000,000
Share Capital of LSE Capital Limited	Nos.	After Scheme	<b>181,153,345</b>

VI. Any cross holding, if any, existing at the Sanction Date will be eliminated and shall be given to the shareholders of **LSECAP** and **MODAM**, as the case may be on the Sanction date.

- MODAM's** shareholding in **LSEPL** shall be given to the certificate-holders of **MODAM** before issuing shares of **LSECAP** to the certificate-holders of **MODAM**;
- Entitlement of **LSECAP** (as a certificate-holder of **MODAM**) for the share of **LSEPL** shall be given to the shareholders of **LSECAP** before issuing shares of **LSECAP** to the certificate-holders of **MODAM** and to the shareholders of **LSEPL**;

- c. **LSECAP's** certificate-holding in **MODAM** shall be given to the shareholders of **LSECAP** before issuing shares of **LSECAP** to the certificate-holders of **MODAM** and to the shareholders of **LSEPL**;
- d. This mechanism is illustrated as under:

	Before Scheme				Distribution		
	LSEPL	MODAM	LSECAP	LSEFSL	LSEPL	LSEPL	MODAM
LSE Capital Limited	-	15,496,673			1,887,753	(1,887,753)	(15,496,673)
Modaraba Al-Mali	16,469,434				(16,469,434)		
LSE Ventures Limited	26,952,897			10,000,000			
LSE Financial Services Limited	-						
Shareholders of - LSEPL	46,668,400						
Certificate-holders of - MODAM		75,320,242			14,581,681		
Shareholders of - LSECAP			21,000,000			1,887,753	15,496,673
Shareholders of - LSEFSL							
	-	-	-	-	-	-	

- e. After this distribution, shares of **LSEFSL** will be distributed to the certificate-holders of **MODAM** and to the shareholders of **LSECAP** as per **distribution ratio** as follows:

	LSECAP	MODAM	Distribution	
			LSECAP Shareholders	MODAM Certificate-holders
Certificate-holders - <b>MODAM</b>	-	75,320,242		4,898,091
Shareholders - <b>LSECAP</b>	21,000,000	15,496,673	9,771,736	1,007,751
	21,000,000	90,816,915	9,771,736	5,905,842

- f. Entitlement of **LSECAP** (for **LSEFSL** shares) as certificate-holder of **MODAM** shall be made to the shareholders of **LSECAP** as shown in the above table.
- g. Once this distribution is made, shares will be swapped as per SWAP ratio as follows:

	Position after Distribution and before Merger				After Merger	
	LSEPL	MODAM	LSECAP	LSEFSL	LSECAP	LSEFSL
LSE Capital Limited	-	-	-	-	-	-
Modaraba Al-Mali	-	-	-	-	-	-
LSE Ventures Limited	26,952,897	-	-	10,000,000	22,370,904	10,000,000
LSE Financial Services Limited	-	-	-	-	10,000,000	-
Shareholders of - LSEPL	46,668,400	-	-	-	38,734,772	-
Certificate-holders of - MODAM	14,581,681	75,320,242	-	4,898,091	74,618,595	4,898,091
Shareholders of - LSECAP	1,887,753	15,496,673	21,000,000	10,779,487	35,429,072	20,779,487
Others					2	-
	90,090,731	90,816,915	21,000,000	25,677,578	181,153,345	35,677,578



VII. Additional shares will be issued by **LSEFSL** as follows;

**The Undertaking and Net Assets of LSECAP to LSEFSL**

		<b>LSEFSL</b> Rs. in 000
Investment in equity Shares of Digital Custodian Company Limited		188,131
Investment in equity Shares of LSE Capital Limited		100,000
		<b>288,131</b>
<b>Represented by</b>		
Issuance of additional shares		256,776
Share Premium		31,355
		<b>288,131</b>
<b>Share of LSEFSL to be issued as an additional capital</b>	Nos.	25,677,578
To the Shareholders of LSE Capital Limited	Nos.	9,771,736
To the Certificate-holders of Modaraba Al-Mali	Nos.	5,905,842
To the LSE Capital Limited for further distribution to the Shareholders of LSE Capital Limited	Nos.	10,000,000
Share Capital of <b>LSEFSL</b> before the Scheme	Nos.	10,000,000
Share Capital of <b>LSEFSL</b> after the Scheme	Nos.	35,677,578
The Undertaking and Net Assets of <b>LSECAP</b> to <b>LSEFSL</b>	Rs. in 000	<b>288,131</b>

**Distribution Ratio**

No. of Shares of <b>LSEFSL</b> against 1,000 shares of <b>LSECAP</b>	<b>465.32</b>
No. of Shares of <b>LSEFSL</b> against 1,000 certificates of <b>MODAM</b>	<b>65.03</b>
No. of Shares of <b>LSEFSL</b> against 1,000 shares of <b>LSECAP</b> – further distribution	<b>476.19</b>

VIII. The SWAP ratio has been calculated on the basis of valuation of shares of all companies (**LSECAP**, **LSEPL**, **MODAM** and **LSEFSL**) by **Kreston Hyderabadhimji & Co., Chartered Accountants**. The resulting SWAP ratio, so worked out, will benefit the members of all the companies/ entities.

IX. Normally, the following three factors are given considerations while working out the SWAP ratio:

- book value/net asset value/break-up value;
- market value of shares; and
- dividend earning capacity of the merging companies;

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d. the comparable transaction method;

- X. As **LSECAP**, is unlisted companies; therefore, the market value of shares has not been considered as one of the factors in calculating the SWAP ratio. Similarly, the dividend earning capacities of **LSEPL** and **LSECAP** have not been considered as the other factor as these companies have not declared any dividend as yet. Accordingly, only the last applicable market value of **LSEPL** and **MODAM** has been considered as one of the factors in the valuation. Other factors that have been taken into account are quality of investments/ assets of the transferor and respective future earning potentials of the transferors.
- XI. As **LSECAP** and **LSEFSL** both are unlisted companies, book value of the companies are considered as one factor and future earning potential of the transferee (**LSEFSL**) as another factor while determining the share price of **LSEFSL**.

#### **TRANSFER/CANCELLATION OF SHARES / MODARABA CERTIFICATES**

- XII. Shares of Digital Custodian Company Limited shall be transferred by **LSECAP** to **LSEFSL** against share issuance of **LSEFSL**. This transfer of share shall be issued to the Trustee (CDC or any other Trustee may be appointed for the purpose) who shall distribute the shares of **LSEFSL** as per **Distribution Ratio** described in the Scheme to the beneficiaries (i.e. certificate-holders of **MODAM** and shareholders of **LSECAP**).
- XIII. Board of Directors of **MODAM** (on advice of Board of Directors of **LSECAP**) shall determine the entitlement date and book closure to determine the entitlement of distribution of shares of **LSEPL** held by **MODAM** to the certificate-holders of Modaraba and to determine the entitlement of distribution of shares of **LSEFSL** to the certificate-holders of **MODAM** as per **Distribution Ratio**.
- XIV. Board of Directors of **LSECAP** shall determine the entitlement date and book closure to determine the entitlement of distribution of Modaraba Certificates of **MODAM** held by **LSECAP** to the shareholders of **LSECAP** and to determine the entitlement of distribution of shares of **LSEPL** received from **MODAM** to the shareholders of **LSECAP** and to determine the entitlement of distribution of shares of **LSEFSL** to the shareholders of **LSECAP** as per the distribution ratio.
- XV. Additional share shall be issued by **LSEFSL** to **LSECAP** and **LSECAP** to **LSEFSL** as described in the Scheme.
- XVI. Board of Directors of **LSECAP** shall determine the entitlement date and book closure to determine the entitlement of distribution of shares of **LSEFSL** (10,000,000 additional shares of **LSEFSL**) to the shareholders of **LSECAP** and to determine the entitlement of distribution of shares of **LSEFSL** to the shareholders of **LSECAP** as per the distribution ratio (i.e. further distribution).

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- XVII. Once this distribution (as described above) is made, all members whose names shall appear in the register of member of **LSEPL**, on such date after the Sanction Date as the Board of Directors of **LSECAP** may determine, and shall surrender their share certificates for cancellation thereof to **LSECAP**. In default, upon the new shares being allotted and issued by **LSECAP** to the members of **LSEPL**, to those whose names shall appear on the respective register of members on such date, as aforesaid, the share certificate in relation to the shares held by them in **LSEPL** shall be deemed to have been duly cancelled. A notice of up to fourteen (14) days' shall be given to the members of **LSEPL** of the date fixed by the directors of **LSECAP**, for determining the entitlements to ordinary shares of **LSECAP** to be issued to the members of **LSEPL**. The members holding physical shares, if any, will deliver their share certificates to the company for cancellation and shall be issues the shares of **LSECAP** in physical form within thirty (30) days from the reopening of the Book Closure. As the shares of **LSEPL** are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of **LSECAP** shall be directly credited by book entries in the CDS in lieu of the scrip-less shares of **LSEPL** to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure as announced for the determination of the merger entitlements.
- XVIII. All members whose names shall appear in the register of member of **MODAM**, on such date after the Sanction Date as the Board of Directors of **LSECAP** may determine, shall surrender their Modaraba certificates for cancellation thereof to **LSECAP**. In default, upon the new shares being allotted and issued by **LSECAP** to the members of **MODAM**, to those whose names shall appear on the respective register of members on such date, as aforesaid, the share certificate in relation to the certificates held by them in **MODAM** shall be deemed to have been duly cancelled. A notice of up to fourteen (14) days' shall be given to the members of **MODAM** of the date fixed by the directors of **LSECAP**, for determining the entitlements to ordinary shares of **LSECAP** to be issued to the members of **LSEPL**. The members holding physical certificates, if any, will deliver their Modaraba certificates to the company for cancellation and shall be issues the shares of **LSECAP** in physical form within thirty (30) days from the reopening of the Book Closure. As the Modaraba certificates of **MODAM** are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of **LSECAP** shall be directly credited by book entries in the CDS in lieu of the scrip-less Modaraba certificates of **MODAM** to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure as announced for the determination of the merger entitlements.
- XIX. Upon the allotment of the Ordinary shares of **LSECAP** to the members of **LSEPL** in the manner aforesaid, all share certificates representing the ordinary shares of **LSEPL** shall stand cancelled.

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- XX. Upon the allotment of the Ordinary shares of **LSECAP** to the members of **MODAM** in the manner aforesaid, all Modaraba certificates representing the Modaraba Certificated of **MODAM** shall stand cancelled.
- XXI. While making physical allotment of the new shares, the fractional allotments above 0.5 shares shall be rounded up to one share and any fraction below 0.5 shall be ignored. However, for shares in CDS fractional shares shall be ignored.
- XXII. Shares will be issued by **LSECAP** to the members of **LSEPL** and to the members of **MODAM** under the SWAP ratio. The working of the merger adjustment and the Balance Sheet of **LSECAP**, to emerge immediately after the merger is attached herewith in Schedule-5 and Schedule-8. The merger reserves or goodwill arising of merger, as the case may be, shall be recognized in the books of **LSECAP**.
- XXIII. Shares shall be issued by **LSECAP** to **LSEPL**'s shareholders under SWAP ratio.
- XXIV. Shares shall be issued by **LSECAP** to **MODAM**'s certificate-holders under SWAP ratio.
- XXV. Additional shares shall be issued by **LSECAP** to **LSEFSL**.
- XXVI. Additional shares shall be issued by **LSEFSL** to **LSECAP**.
- XXVII. Additional shares of **LSEFSL** shall be distributed by **LSECAP** (further distribution) to the shareholders of **LSECAP** before shares of **LSECAP** is issued to the shareholders of **LSEPL** and to the certificate-holders of **MODAM**.
- XXVIII. Additional shares shall be issued to the certificate-holders of **MODAM** and to the shareholders of **LSECAP** as per **Distribution Ratio**.
- XXIX. There shall be no cross-holdings between **LSECAP** and **MODAM**. Any cross-holding shall be distributed amongst the respective shareholders as described in the Scheme.
- XXX. There shall be no cross-holdings between **LSECAP** and **LSEPL**. Any cross-holding shall be distributed amongst the respective shareholders as described in the Scheme.
- XXXI. The distribution of shares and the merger effect are shown in Schedule – 5. The same methodology shall be followed after the Sanction Date.

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## ARTICLE – 5 – RIGHTS AND OBLIGATIONS

### RIGHTS AND OBLIGATIONS OF LSECAP AND LSEPL IN RESPECT OF THE UNDERTAKING AND BUSINESS

- I. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against **LSEPL** in respect of the Undertaking and Business (as defined in Schedule 1) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against **LSEPL**, and may be continued, prosecuted and enforced by or against **LSECAP** accordingly.
- II. All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Undertaking and Business shall, shall be deemed to, be to the benefit and credit of **LSEPL** and shall be transferred to **LSECAP**.
- III. The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of **LSEPL**, as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, as audited by the Auditors relating to the Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in **LSECAP** (as defined and mentioned in Schedule 5), and shall be accounted on that basis in the books of accounts of **LSECAP**.

### RIGHTS AND OBLIGATIONS OF LSECAP AND MODAM IN RESPECT OF THE UNDERTAKING AND BUSINESS

- IV. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against **MODAM** in respect of the Undertaking and Business (as defined in Schedule 2) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against **MODAM**, and may be continued, prosecuted and enforced by or against **LSECAP** accordingly.
- V. All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Undertaking and Business shall, shall be deemed to, be to the benefit and credit of **MODAM** and shall be transferred to **LSECAP**.
- VI. The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of **MODAM**, as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, as audited by the Auditors relating to the Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in

**LSECAP** (as defined and mentioned in Schedule 5), and shall be accounted on that basis in the books of accounts of **LSECAP**.

#### **RIGHTS AND OBLIGATIONS OF LSEFSL AND LSECAP IN RESPECT OF THE UNDERTAKING AND BUSINESS**

- VII. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against **LSECAP** in respect of the designated Undertaking and Business only (as defined in Schedule 3) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against **LSECAP**, and may be continued, prosecuted and enforced by or against **LSEFSL** accordingly.
- VIII. All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the designated Undertaking and Business shall, shall be deemed to, be to the benefit and credit of **LSECAP** and shall be transferred to **LSEFSL**.

#### **GENERAL**

- IX. The authorized share capital of **LSEPL** and **MODAM** shall be merged with the authorized share capital of **LSECAP** and **LSEFSL**.
- X. The authorized capital after the Sanction Date shall be as follows:

	Par Value / Nominal Per Share/Certificate	No. of Shares / Certificate		in PKRs. 000	
		Before Scheme	After Scheme	Before Scheme	After Scheme
LSE Proptech Limited	10.00	150,000,000		1,500,000	
Modaraba Al-Mali	10.00	92,000,000		920,000	
LSE Capital Limited	10.00	25,000,000	200,000,000	250,000	2,000,000
LSE Financial Services Limited	10.00	52,000,000	119,000,000	520,000	1,190,000

- XI. **LSE Proptech Limited** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.
- XII. **Modaraba Al-Mali** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.

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- XIII. The merged authorized capital may also be increased further, if so required, with the approval of the shareholders by passing a special resolution in the general meeting, in accordance with the requirements of the Companies Act, 2017.
- XIV. The transferee (**LSECAP** and **LSEFSL** for designated assets only) must undertake to discharge any liability in respect of the assets acquired, if any, and any liability in respect of the assets must not exceed the transferor's cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal of such assets takes place.
- XV. The assets acquired by the transferee (**LSECAP**) shall be treated as having the same character as the same had in the hands of the transferors (**LSEPL** and **MODAM**).
- XVI. The assets acquired by the transferee (**LSEFSL**) shall be treated as having the same character as the same had in the hands of the transferor (**LSECAP**).

#### **TRANSFER OF STAFF AND EMPLOYEES**

- XVII. Every officer, staff or other employees of **LSEPL** and **MODAM**, as existing on the **Effective Date**, shall become the officers, staff or employees, as the case may be, of **LSECAP** (as mentioned in Schedule 6) on the basis that their services have not been interrupted by the transfer and vesting of the Undertaking and Business of **LSPL** and **MODAM** into **LSECAP**, under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, any other retirement funds, if any, and other matters as had been applicable to them, before the effective date.
- XVIII. No staff or workforce is being transferred to **LSEFSL** from **LSECAP** under the Scheme

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## ARTICLE – 6 – GENERAL PROVISIONS

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### SANCTION AND EFFECTIVENESS OF SCHEME

- I. Sanctions and Provisions of the Scheme:
- (i) This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 (along with Section 283) of the Act for bringing the Scheme into effect.
  - (ii) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the Court may approve and this Scheme shall become effective, with such modification or addition, if any, also subject to any conditions, which the Court may impose.
  - (iii) The respective Boards of Directors of **LSEPL**, **LSEFSL**, **MODAM** and **LSECAP** have approved the foregoing Scheme for the submission of the same to the Court. The respective Board of Directors of **LSECAP**, **MODAM**, **LSEFSL** and **LSEPL**, have also authorized, consented to, either singly or jointly on behalf of all concerned, to any modifications or additions or alterations to this Scheme or to any conditions, which the Court may think fit to impose and may give any directions, as the honorable Court may consider necessary to settle any question(s) or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
  - (iv) The provisions of this Scheme shall become binding and operative on the date (the "**Sanction Date**") that a certified copy of the order of the Court, sanctioning this Scheme under Section 279 of the Act, and by making any necessary provisions under Section 282 of the Act, and upon such Scheme having been filed with the office of the Registrar Modaraba and Registrar of Companies, SECP, Lahore.
  - (v) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the merger of **MODAM**, and transfer to and vesting in **LSECAP**, of the Undertaking and Business shall be deemed to have taken place on the "**Effective Date**" and shall be treated accordingly, as per the provisions of this Scheme.
  - (vi) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the merger of **LSEPL**, and transfer to and vesting in **LSECAP**, of the Undertaking and Business shall be deemed to have taken place on the "**Effective Date**" and shall be treated accordingly, as per the provisions of this Scheme.
  - (vii) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the transfer of designated assets from **LSECAP** and transfer to and vesting in **LSEFSL**, of the



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Undertaking and Business shall be deemed to have taken place on the “**Effective Date**” and shall be treated accordingly, as per the provisions of this Scheme.

- (viii) Except as expressly otherwise stated herein, the Undertakings and the Business, following the Sanction Date, shall be recorded in the books of account of **LSEPL** (as per Schedule 1) at the respective values appearing in the books of account of **LSECAP** on the date preceding the **Effective Date**. For the Accounting purpose, transfer of balance from the books of transferor to the books of transferee shall serve the purpose. Moreover, for profit and loss items in the books of accounts, only effect has to be shown in the Statement of Changes in Equity and no corresponding changes need to be made in the Statement of Profit and Loss for the interim period between effective date and sanction dates.
- (ix) Except as expressly otherwise stated herein, the Undertakings and the Business, following the Sanction Date, shall be recorded in the books of account of **MODAM** (as per Schedule 2) at the respective values appearing in the books of account of **LSECAP** on the date preceding the **Effective Date**. For the Accounting purpose, transfer of balance from the books of transferor to the books of transferee shall serve the purpose. Moreover, for profit and loss items in the books of accounts, only effect has to be shown in the Statement of Changes in Equity and no corresponding changes need to be made in the Statement of Profit and Loss for the interim period between effective date and sanction dates.
- (x) Each of **LSEPL**, **MODAM**, **LSEFSL** and **LSECAP** shall take all actions and execute all formalities considered and deemed necessary and expedient by their respective Boards of Directors to properly and smoothly cause the transfer and vesting of the respective Undertakings and Businesses in the manner stated herein, and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.
- (xi) Without prejudice to the generality of the foregoing, the respective Boards of Directors of **LSEPL**, **LSEFSL**, **MODAM** and **LSECAP**, may, generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or officials to carry out such acts, deeds and things as may be deemed expedient and necessary, for a proper and smooth implementation of the Scheme from time to time.
- (xii) The Board of Directors of **LSECAP**, **MODAM**, **LSEFSL** and **LSEPL** have given their assent to any modification or amendment to the Scheme or to agree to any terms and/or conditions, which the Court and / or any other Authority, Body or Commission under the law, may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and to

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do all acts, deed and things as may be necessary or desirable or expedient for putting the Scheme into effect.

(xiii) For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of **LSECAP** are hereby authorized by **MODAM** and **LSEPL** to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question or doubt or difficulty, whatsoever that may arise from time to time.

- II. As of the **Sanction Date**, the terms of this Scheme shall be binding on each of **LSEPL**, **MODAM**, **LSEFSL** and **LSECAP** and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
- III. All the costs, charges and expenses, incurred / to be incurred in relation to or in connection with the Scheme of Arrangement and of carrying out the implementation of the Scheme or incidental to the completion of the amalgamation/merger in pursuance of the Scheme, shall be borne and paid by **LSECAP**.
- IV. There can be difference in tax year(s) between effective date and sanction date. Tax returns shall not be changed/revised for the effective dates for the entities involved (i.e. **LSEFSL**, **MODAM**, **LSEFSL** and **LSEPL**). Moreover, tax position as on Sanction date shall be carried forward to the transferee i.e. from **LSEPL** (and **MODAM**) to **LSECAP**.
- V. No gain or loss shall be taken to arise on disposal of asset from transferor to transferee by virtue of the Scheme under Section 97A of the Income Tax Ordinance, 2001. No double taxation impact (in the form of withholding taxes or/and collecting taxes or/and assessment basis) shall be made/ levied on income, profits and revenues of the companies/ entities involved by virtue of this Scheme. Net of tax balances shall be transferred.
- VI. This Scheme shall become null and void, subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
  - (i) if the Scheme is not approved by the requisite majority of the shareholders and members of any of **LSEPL**, **MODAM**, **LSEFSL** and **LSECAP**;
  - (ii) if the sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of **LSEPL**, **MODAM**, **LSEFSL** and **LSECAP**.
- VII. After the **Sanction Date**, the shares of **LSECAP** and **LSEFSL** shall be technically listed on the Pakistan Stock Exchange under the order of the Court without any further, act, deed, formality or fee, subject to the filing of such documentation as may be required by it, in accordance with applicable rules and regulations.

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- VIII. After the **Sanction Date**, **LSEPL** and **MODAM** will be dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up.

#### **DELISTING / LISTING**

- IX. Subsequent to the Sanction Date, **LSE PROPTech LIMITED** shall stand de-listed from Pakistan Stock Exchange Limited within such timeframe during which the shares reconstruction arrangement is completed, and the members of **LSEPL** shall be allotted the shares by **LSECAP**.
- X. Subsequent to the Sanction Date, **MODARABA AL-MALI** shall stand de-listed from Pakistan Stock Exchange Limited within such timeframe during which the shares reconstruction arrangement is completed, and the members of **MODAM** shall be allotted the shares by **LSECAP**.
- XI. Subsequent to the Sanction Date, the shares of **LSE CAPITAL LIMITED** shall stand listed on PSX within such timeframe during which the shares reconstruction arrangement under this Scheme is completed, without any further, act, deed, formality or fee except that **LSECAP** shall be required to file all required documentation to PSX for the purposes of listing.
- XII. Subsequent to the Sanction Date, the shares of **LSE FINANCIAL SERVICES LIMITED** shall stand listed on PSX within such timeframe during which the shares reconstruction arrangement under this Scheme is completed, without any further, act, deed, formality or fee except that **LSEFSL** shall be required to file all required documentation to PSX for the purposes of listing.
- XIII. The opening price shall be based on the P/E ratio, which is determined on the basis of the market equivalent share and the earning potential of the merged balance sheet of both of these companies as determined under the Auditors' Certificate after taking into the impact of the SWAP ratio, but it shall not be less than the par value of the shares of **LSECAP** (i.e. PKR 10/- per share). Based on the Auditors' Certificate, the Board of Directors of **LSECAP** shall communicate the opening price of the **LSECAP** to PSX accordingly.
- XIV. The opening price shall be based on the P/E ratio, which is determined on the basis of the market equivalent share and the earning potential of the merged balance sheet of both of these companies as determined under the Auditors' Certificate after taking into the impact of the SWAP ratio, but it shall not be less than the par value of the shares of **LSEFSL** (i.e PKR 10/- per share). Based on the Auditors' Certificate, the Board of Directors of **LSEFSL** shall communicate the opening price of the **LSEFSL** to PSX accordingly.

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## MISCELLANEOUS

- XV. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- XVI. The section or headings used in this Scheme, are solely for the convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- XVII. The transfer, vesting and amalgamation of the Undertaking and Businesses in terms of this Scheme shall not: (i) constitute any assignment, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.
- XVIII. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve; and this Scheme is also subject to any such modification or addition or conditions, if any, which the Court may impose.
- XIX. The SWAP ratio (as mentioned in this Scheme and having been duly approved by way of the special resolution) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in the goodwill or merger reserves, as the case may be. No further approval for any change having been ordered by the honorable Court or the SECP, shall be required from the shareholders of the Company.
- XX. The Board of Directors of **LSECAP** shall have the power to rectify any rounding errors or typographical errors, calculation errors and other errors, if any in the Scheme and it will not affect the spirit and efficacy of the Scheme.
- XXI. In case of any ambiguity or conflict ad actual transfer of assets, liabilities and reserves, Board of Directors of **LSECAP** shall be the authority to decide and resolve the issue before and after the **Sanction Date**.

**SCHEDULE – 1 - The Undertaking and Net Assets of LSE Proptech Limited to LSE Capital Limited**

	Rs. in 000
Property and equipment	1,301,829
Investment property	378,431
Net investment in finance lease	4,276
Long term deposits	75
 Inventories	 2,923
Trade and other receivables	39,163
Prepayments, deposits and advances	3,462
Advance income tax	2,285
Bank balances	43,517
<b>Less :</b>	
Deferred tax liability	(1,403)
Other liabilities	(5,643)
Trade and other payables	(50,746)
	<b>1,718,169</b>
 <b>Represented by</b>	
Issued, subscribed and paid-up share capital	900,907
- Unappropriated profit	817,262
	<b>1,718,169</b>
	-

- **Listing status of LSEPL shall be transferred to LSECAP.**

**LSECAP** shall be listed on PSX by virtue of merger of **LSEPL** with and into **LSEPL** and listing status of **LSEPL** (as a transferor) shall be transferred to **LSECAP** (as a transferee).

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**SCHEDULE – 2 - The Undertaking and Net Assets of Modaraba Al-Mali to LSE Capital Limited**

	Rs. in 000
Property and equipment	4,406
Investment in equity shares of Ensmile Limited	297,316
Investment in equity shares of LSE Ventures Limited	639,909
Current portion of diminishing musharaka	227
Ijarah finance	3,755
Prepayments, deposits and advances	17,658
Short term investment	153,582
Advance income tax	11,033
Bank balances	17,579
<b>Less:</b>	
Deferred tax liability	(48,720)
Trade and other payables	(237,014)
Security deposits	(3,762)
Unclaimed profit distribution	(10,359)
	<b>845,609</b>
<b>Represented by</b>	
Issued, subscribed and paid-up share capital	908,169
- Unappropriated profit	(62,560)
	<b>845,609</b>

**The Undertaking and Net Assets of Modaraba Al-Mali to LSE Financial Services Limited**

- Listing status of MODAM shall be transferred to LSEFSL.

LSEFSL shall be listed on PSX by virtue of transferring of listing status of MODAM (as a transferor) to LSEFSL (as a transferee).

- SCHEDULE – 3 - The Undertaking and Net Assets of LSE Capital Limited to LSE Financial Services Limited

	Rs. in 000
Investment in equity Shares of Digital Custodian Company Limited	188,131
Investment in equity Shares of LSE Capital Limited	100,000
	<b>288,131</b>

**Represented by**

Issuance of additional shares	256,776
Share Premium	31,355
	<b>288,131</b>

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**LSE Financial Services Limited**

	No. of Shares	Rs. in 000
Issuance of shares to the certificate-holders of Modaraba Al-Mali*	4,898,091	48,981
Issuance of shares to the shareholders of LSE Capital Limited*	20,779,487	207,795
	<b>25,677,578</b>	<b>256,776</b>

\*including the impact of distribution of LSEFSL shares distributed to the certificate-holders of MODAM and received by LSECAP as certificate-holder of MODA and subsequently distributed to the shareholders of LSECAP and including further distribution (as per the Scheme)

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**SCHEDULE – 4 - List of the shareholders/ Certificate-holders of :**

- **LSE PropTech Limited**
- **Modaraba Al-Mali**
- **LSE Capital Limited**
- **LSE Financial Services Limited**

List of shareholders will be added on the effective date



## SCHEDULE – 5 - The Statement of Financial Position showing Merger Effect

	LSEPL	MODAM	LSECAP	LSEFSL	Merger Adjustment LSEPL	Merger Adjustment MODAM	Merger Adjustment LSECAP	Merger Adjustment LSEFSL	After Merger LSECAP	After Merger LSEFSL
	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023	Rs. in 000 June 30, 2023
<b>ASSETS</b>										
<b>Non Current Assets</b>										
Property and equipment	1,301,829	4,406			-	-	-	-	1,306,234	-
Investment property	378,431				-	-	-	-	378,431	-
Goodwill from demerger	26,533				(26,533)	-	-	-	-	-
Investment in equity shares of Ensmile Limited		297,316			-	-	-	-	297,316	-
Investment in equity shares of LSE Ventures Limited		639,909			-	-	-	-	639,909	-
Investment in equity Shares of LSE Proptech Limited		322,500			-	(322,500)	-	-	-	-
Investment in equity Certificates of Modaraba Al-Mali			62,706		-	-	(62,706)	-	-	-
Investment in equity Shares of Digital Custodian Company Limited			135,812		-	-	52,319	188,131	188,131	188,131
Investment in equity Shares of LSE Capital Limited					-	-	-	100,000	-	100,000
Investment in equity Shares of LSE Financial Services Limited					-	-	-	-	-	-
Net investment in finance lease	4,276				-	-	-	-	4,276	-
Deferred tax	75			7,284	-	-	-	-	-	7,284
Long term deposits				25,009	-	-	-	-	75	25,009
	<b>1,711,144</b>	<b>1,264,130</b>	<b>198,518</b>	<b>32,293</b>					<b>2,814,372</b>	<b>320,424</b>
<b>Current Assets</b>										
Inventories	2,923				-	-	-	-	2,923	-
Trade and other receivables	39,163			18,045	-	-	-	-	39,163	18,045
Current portion of diminishing musharaka		227			-	-	-	-	227	-
Ijarah finance		3,755			-	-	-	-	3,755	-
Prepayments, deposits and advances	3,462	17,658	54,291	1,006	-	-	(54,059)	-	21,352	1,006
Other receivables			54,735		-	-	(53,854)	-	881	-
Short term investment		153,582	130	363,648	-	-	-	-	153,711	363,648
Management fee receivable			12,082		-	-	(12,082)	-	-	-
Accrued mark-up			24		-	-	-	-	24	-
Advance income tax	2,285	11,033	2,522	44,319	-	-	-	-	15,840	44,319
Bank balances	43,517	17,579	89	51,844	-	-	-	-	61,185	51,844
	<b>91,350</b>	<b>203,833</b>	<b>123,874</b>	<b>478,862</b>					<b>299,062</b>	<b>478,862</b>
<b>Total Assets</b>	<b>1,802,494</b>	<b>1,467,963</b>	<b>322,392</b>	<b>511,155</b>	<b>(26,533)</b>	<b>(322,500)</b>	<b>(130,382)</b>	<b>288,131</b>	<b>3,113,433</b>	<b>799,286</b>
<b>AUTHORIZED SHARE CAPITAL</b>	<b>1,500,000</b>	<b>920,000</b>	<b>250,000</b>	<b>520,000</b>					<b>2,000,000</b>	<b>1,190,000</b>
<b>SHARE CAPITAL AND RESERVES</b>										
Issued, subscribed and paid-up share capital	900,907	794,239	210,000	100,000	-	113,930	100,000	256,776	1,811,533	356,776
- Unappropriated profit	127,709	226,612	37,482	718	689,553	(289,172)	(169,205)	-	622,979	718
Capital reserves		81,321			-	(81,321)	-	31,355	-	31,355
Surplus on revaluation of property and equipment	706,004				(706,004)	-	-	-	-	-
- Building reserve fund	10,082				(10,082)	-	-	-	-	-
Certificate subscription money		13,059			-	(13,059)	-	-	-	-
Merger Reserves			48,118		-	-	-	-	307,543	-
<b>Fair value reserves</b>	<b>1,744,702</b>	<b>1,115,232</b>	<b>295,601</b>	<b>100,718</b>			(48,118)	-	<b>2,742,055</b>	<b>388,849</b>
<b>Non Current Liabilities</b>										
Deferred tax liability	1,403	48,720	3,544		-	-	-	-	53,666	-
Lease liabilities				-	-	-	-	-	-	-
Other liabilities	5,643			3,848	-	-	-	-	5,643	3,848
	<b>7,046</b>	<b>48,720</b>	<b>3,544</b>	<b>3,848</b>					<b>59,309</b>	<b>3,848</b>
<b>Current Liabilities</b>										
Trade and other payables	50,746	236,037	23,247	390,591	-	977	(13,059)	-	297,948	390,591
Lease liabilities-Current Portion				1,924	-	-	-	-	-	1,924
Musharaka finance		50,000			-	(50,000)	-	-	-	-
Short term Musharaka finance		3,854			-	(3,854)	-	-	-	-
Security deposits		3,762			-	-	-	-	3,762	-
Unclaimed profit distribution		10,359			-	-	-	-	10,359	-
Deposit payable related to discontinued operations				14,073	-	-	-	-	-	14,073
Loan from /Sponsor Director					-	-	-	-	-	
	<b>50,746</b>	<b>304,012</b>	<b>23,247</b>	<b>406,589</b>					<b>312,069</b>	<b>406,589</b>
<b>Equity and Total Liabilities</b>	<b>1,802,494</b>	<b>1,467,963</b>	<b>322,392</b>	<b>511,155</b>	<b>(26,533)</b>	<b>(322,500)</b>	<b>(130,382)</b>	<b>288,131</b>	<b>3,113,433</b>	<b>799,286</b>

## SCHEDULE – 6 - Transfer of Staff and Employees

### Transfer of Employees from MODAM to LSECAP

1. Rashid Mateen Khan - Chief Financial Officer
2. Inamullah - Company Secretary
3. Mansoor Ahmad Soomro - Finance Officer
4. Azhar Ahmad - Dispatcher
5. Moomin Khan - Driver

### Transfer of Employees from LSEPL to LSECAP

Name of Employees	Department	Existing designation
Ch. Muhammad Ali Hussain	Digital Operations and Development	Senior Officer
Hafiz Muddassir Alam	Digital Operations and Development	Manager
M. Aitzaz Ur Rehman	Digital Operations and Development	Manager
Saira Maqsood	Digital Operations and Development	Senior Officer
Iqrar Shabbir	Civil Facilities Management	Deputy Manager
Muhammad Waqas	Civil Facilities Management	General Staff
Muhammad Qadeer	Digital Operations and Development	General Staff
Azhar Ali	Electical Facilities Management	General Staff
Gull Muhammad Khan	Procurement and Administration	Assistant Manager
Nadeem	Procurement and Administration	General Staff
Kamran Aslam	Electical Facilities Management	Senior Officer
Maqbool Ahmad	Electical Facilities Management	General Staff
Muhammad Shahzad	Electical Facilities Management	General Staff
Syed Zafar Iqbal	Electical Facilities Management	General Staff
Muhammad Mustafa	Electical Facilities Management	General Staff
Muhammad Fiaz	Civil Facilities Management	General Staff
Amir Sajjad	Electical Facilities Management	General Staff
Yasir Ali	Procurement and Administration	General Staff
Muhammad Azhar Ashraf	Procurement and Administration	General Staff
Zulfiqar Ali	Civil Facilities Management	Assistant Officer
Ejaz Hussain	Procurement and Administration	Assistant Officer
Muhammad Nasir	Procurement and Administration	General Staff
Aaliya Naeem	Procurement and Administration	Assistant Officer
Muhammad Ashfaq	Procurement and Administration	General Staff
Ansar Abbas	Procurement and Administration	General Staff
Muhammad Shahid	Civil Facilities Management	General Staff
Abid Hussain	Procurement and Administration	Chief Security Officer

Syed Ghulam Shabbir Shah	Procurement and Administration	General Staff
Allah Ditta	Procurement and Administration	General Staff
Riaz Ahmed	Procurement and Administration	General Staff
Muhammad Taha Khan	Electrical Facilities Management	General Staff
Bashir Ahmed	Electrical Facilities Management	Manager
Sufyan Masih	Civil Facilities Management	General Staff
Adnan	Civil Facilities Management	General Staff
Zeeshan Gull	Civil Facilities Management	General Staff
Danish Masih	Civil Facilities Management	General Staff
Zarak Nadeem	Civil Facilities Management	General Staff
Atif	Civil Facilities Management	General Staff
Francis	Civil Facilities Management	General Staff
Haris Nadeem	Civil Facilities Management	General Staff
Irfan Masih	Civil Facilities Management	General Staff
Javeed Rehmat	Civil Facilities Management	General Staff
Mickel	Civil Facilities Management	General Staff
Khurram Pervaiz	Civil Facilities Management	General Staff
Nauman Babar	Civil Facilities Management	General Staff
Noman	Civil Facilities Management	General Staff
Waqas Masih	Civil Facilities Management	General Staff
Shah Nawaz	Digital Operations and Development	Assistant Manager
Raza Masih	Procurement and Administration	General Staff

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**SCHEDULE – 7 - The Statement of Financial Position –**

- **LSE Proptech Limited**
- **Modaraba Al-Mali**
- **LSE Capital Limited**
- **LSE Financial Services Limited**

As attached

**SCHEDULE – 8 - Statement of Financial Position of LSE CAPITAL LIMITED immediately after Merger Effect**

The Undertaking and Net Assets of LSEPL and MODAM and to LSECAP						
The Undertaking and Net Assets of LSECAP to LSEFSL						
	Before Scheme LSECAP Rs. in 000	From LSEPL Rs. in 000	From MODAM Rs. in 000	Merger Adjustments Rs. in 000	To LSEFSL Rs. in 000	After Scheme LSECAP Rs. in 000
Property and equipment	-	1,301,829	4,406			1,306,234
Investment property	-	378,431	-			378,431
Investment in equity shares of Ensmile Limited	-	-	297,316			297,316
Investment in equity shares of LSE Ventures Limited	-	-	639,909			639,909
Investment in equity Certificates of Modaraba Al-Mali	62,706	-	-	(62,706)		-
Investment in equity Shares of Digital Custodian Company Limited	135,812	-	-	240,450	(188,131)	188,131
Investment in equity Shares of LSE Financial Services Limited	-	-	-	-		-
Net investment in finance lease	-	4,276	-			4,276
Long term deposits	-	75	-			75
Inventories	-	2,923	-			2,923
Trade and other receivables	-	39,163	-			39,163
Current portion of diminishing musharaka	-	-	227			227
Ijarah finance	-	-	3,755			3,755
Prepayments, deposits and advances	232	3,462	17,658			21,352
Other receivables	881	-	-			881
Short term investment	130	-	153,582			153,711
Accrued mark-up	24	-	-			24
Advance income tax	2,522	2,285	11,033			15,840
Bank balances	89	43,517	17,579			61,185
<b>Less:</b>						
Deferred tax liability	(3,544)	(1,403)	(48,720)			(53,666)
Lease liabilities	-	-	-			-
Other liabilities	-	(5,643)	-			(5,643)
Trade and other payables	(10,188)	(50,746)	(237,014)			(297,948)
Security deposits	-	-	(3,762)			(3,762)
Unclaimed profit distribution	-	-	(10,359)			(10,359)
	<b>188,665</b>	<b>1,718,169</b>	<b>845,609</b>	<b>177,744</b>	<b>(188,131)</b>	<b>2,742,055</b>
<b>Represented by</b>						
Issued, subscribed and paid-up share capital	210,000	900,907	908,169	100,000	(307,543)	1,811,533
- Unappropriated profit	(21,335)	817,262	(62,560)	77,744	(188,131)	622,979
Merger Reserves					307,543	307,543
	<b>188,665</b>	<b>1,718,169</b>	<b>845,609</b>	<b>177,744</b>	<b>(188,131)</b>	<b>2,742,055</b>

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION/MERGER**

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<b>BOARD OF DIRECTORS</b>		<b>BOARD OF DIRECTOR MEETING HELD ON</b>
<b>LSE CAPITAL LIMITED</b>	<b>LSECAP</b>	November 15, 2023
<b>MODARABA AL-MALI</b>	<b>MODAM</b>	November 15, 2023
<b>LSE CAPITAL LIMITED</b>	<b>LSECAP</b>	November 15, 2023
<b>LSE FINANCIAL SERVICES LIMITED</b>	<b>LSEFSL</b>	November 23, 2023

The Board of Directors of the above named companies/entities in their respective meetings have approved the Scheme of Compromises, Arrangement and Reconstruction for amalgamation / merger / partial merger of

**PART-1 - - Complete Transfer of Assets and Undertakings**

1. **MODARABA AL-MALI**  
(AND ITS MEMBERS)
2. **LSE PROPTech LIMITED**  
(AND ITS MEMBERS)

**WITH AND INTO**

3. **LSE CAPITAL LIMITED**  
(AND ITS MEMBERS)

**PART-2 - - Partial Transfer of Designated Assets**

1. **LSE CAPITAL LIMITED**  
(AND ITS MEMBERS)

**WITH AND INTO**

2. **LSE FINANCIAL SERVICES LIMITED**  
(AND ITS MEMBERS)

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**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE  
COMPANIES ACT, 2017)**

**Annexure to Scheme of Merger  
Special Resolutions**

The Board of Directors of the respective companies/ corporate entities have also passed the following resolutions (as an integral part of the Scheme) for the subsequent approval (with and without amendments/ alterations) from their respective shareholders/ certificate-holders (as the case may be) in their forthcoming meeting as and when meeting is convened by the honorable Lahore High Court.

1. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of Registrar Modaraba and the Honorable Lahore High Court, the proposed merger (Part-1) of **LSE Proptech Limited** ('Transferor Company') with and into **LSE Capital Limited** ('Transferee Company') along with the draft Scheme of Amalgamation/ Merger/ as placed before the shareholders, be and are hereby approved.
2. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of Registrar Modaraba and the Honorable Lahore High Court, the proposed merger (Part-1) of **Modaraba Al-Mali** ('Transferor Company') with and into **LSE Capital Limited** ('Transferee Company') along with the draft Scheme of Amalgamation/ Merger/ as placed before the shareholders/ certificate-holders, be and are hereby approved.
3. **RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, if any, and subject to the approval of Registrar Modaraba and the Honorable Lahore High Court, the proposed partial merger (Part-2) of **LSE Capital Limited** ('Transferor Company') with and into **LSE Financial Services Limited** ('Transferee Company') along with the draft Scheme of Amalgamation/ Merger/ as placed before the shareholders, be and are hereby approved.
4. **RESOLVED FURTHER THAT** approval be and is hereby accorded to implement the Scheme and accordingly application/petition shall be filed with the Securities and Exchange Commission of Pakistan, honorable Lahore High Court, Pakistan Stock Exchange Limited and any other competent authority(ies).
5. **RESOLVED FURTHER THAT** the approval of the shareholders and Modaraba certificate-holders, be and is hereby granted to the terms and conditions as set out in the draft Scheme of Amalgamation/ Merger, which includes, inter-alia, the following:
  - a) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company (**LSE Proptech Limited**) will be transferred to and vest in the Transferee Company i.e. **LSE Capital Limited** (as described in Schedule – 1 of the Scheme);
  - b) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company (**Modaraba Al-Mali**) will be transferred to and vest in the Transferee Company i.e. **LSE Capital Limited** (as described in Schedule – 2 of the Scheme);
  - c) That designated asset and liabilities including Income Tax and all other designated statutory liabilities of the Transferor Company (**LSE Capital Limited**) will be transferred to and vest in the Transferee Company i.e. **LSE Financial Services Limited** (as described in Schedule – 3 of the Scheme);
  - d) That all the employees of the Transferor Company (i.e. **LSE Proptech Limited**) , if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company i.e. **LSE Capital Limited** (as described in Schedule – 6 of the Scheme) on such date without any break or interruption in service

**Annexure to Scheme of Merger  
Special Resolutions**

and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;

- e) That all the employees of the Transferor Company (i.e. **Modaraba Al-Mali**) , if any, in service on the date immediately preceding the date on which Scheme finally takes effect i.e. the Effective Date, shall become the employees of the Transferee Company i.e. **LSE Capital Limited** (as described in Schedule – 6 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;
- f) No transfer of employee shall be made from **LSE Capital Limited** (as Transferor Company) to **LSE Financial Services Limited** (as Transferee Company);
- g) That the Scheme of Amalgamation / Merger shall be effective from **Effective Date**, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company(ies) (as described in Schedule – 1, Schedule – 2 and Schedule - 3 of the Scheme) into the Transferee Company(ies), shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court may approve;
- h) That the **LSE Capital Limited** shall allot shares to the shareholders of the **LSE Proptech Limited** in accordance to the **SWAP Ratio** as per the Valuation Report given by the **Kreston Hyderbhimji & Co., Chartered Accountants** (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
- i) That the **LSE Capital Limited** shall allot shares to the certificate-holders of the **Modaraba Al-Mali** in accordance to the **SWAP Ratio** as per the Valuation Report given by the **Kreston Hyderbhimji & Co., Chartered Accountants** (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
- j) That the **LSE Financial Services Limited** shall allot shares to the shareholders of the **LSE Capital Limited**, to the certificate-holders of **Modaraba Al-Mali** and to the **LSE Capital Limited** in accordance to the **SWAP Ratio** as per the Valuation Report given by the **Kreston Hyderbhimji & Co., Chartered Accountants** (or any other renowned practicing-chartered accounting firm), as tabled before the meeting and taken note of; and
- k) That **LSE Capital Limited** shall allot shares to **LSE Financial Services Limited** in accordance to the Scheme.
- l) That the distribution of shares of **LSE Proptech Limited** owned by **Modaraba Al-Mali** to be distributed to the certificate-holders of **Modaraba Al-Mali**.
- m) That the distribution of certificates of **Modaraba Al-Mali** owned by **LSE Capital Limited** to be made to the shareholders of **LSE Capital Limited**.
- n) That the listing status of the **LSE Proptech Limited (LSEPL)** with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of **LSEPL**) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the names of the **LSE Capital Limited** (as described in the Scheme).
- o) That the listing status of the **Modaraba Al-Mali (MODAM)** with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of **MODAM**) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the names of the **LSE Financial Services Limited** (as described in the Scheme).
- p) Effective date of the Scheme is **June 30, 2023** or any other date which is determined by the honorable Lahore High Court. However, this will not affect the SWAP ratio determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall



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become the operative (as defined in Article – 3 of the Scheme). No further approval shall be required from the shareholders of the Company.

- q) SWAP ratio will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan, as the case may be. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.

6. **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) and may be moved by the Chief Executive Officer or the Company Secretary of **LSE Capital Limited** singly before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation / Merger.”
7. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of **LSE Proptech Limited** and **LSE Capital Limited** to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares of **LSE Capital Limited** to the shareholders of the **LSE Proptech Limited**.
8. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of **Modaraba Al-Mali** and **LSE Capital Limited** to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares of **LSE Capital Limited** to the shareholders of the **LSE Proptech Limited**.
9. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of **LSE Capital Limited** and LSE Financial Services to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares of **LSE Financial Services Limited** to the shareholders of the **LSE Capital Limited** and to the **LSE Capital Limited**.
10. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of LSE Financial Services and **LSE Capital Limited** to amend the swap ratio, if advised or directed by the Securities and Exchange Commission of Pakistan or honorable Lahore High Court, as the case may be, for the issuance of shares of **LSE Capital Limited** to the **LSE Financial Services Limited**.
11. **RESOLVED FURTHER THAT** the shareholders, be and hereby authorize singly the Chief Executive or the Company Secretary of the Company (i.e. respective company/ corporate undertaking), to undertake and implement all relevant steps/actions, required to be completed, as a consequence of the approval of the above special resolutions.
12. **RESOLVED FURTHER THAT** the Chief Executive Officer or the Company Secretary of the **LSE Capital Limited**, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company (i.e. respective company/ corporate undertaking) to the

**Annexure to Scheme of Merger  
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Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.”

13. **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of the **LSE Capital Limited**, be and are hereby singly authorized:
- a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
  - b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks;
  - c) To appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and
  - d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.