



**The General Manager**  
Pakistan Stock Exchange (PSX)  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

May 29, 2024/58298

**STATEMENT OF FINANCIAL POSITION SHOWING MERGER EFFECT  
SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION ('THE SCHEME')  
(UNDER SECTION 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017)  
SANCTION OF THE SCHEME BY HONORABLE LAHORE HIGH COURT  
UNDER C.O. NO 78278/2023 DATED APRIL 03, 2024.**

Dear Sir,

Please find attached herewith the Statement of Financial Position showing Merger Effect based on the audited financial statements of LSE PropTech Limited, Modaraba Al-Mali, LSE Capital Limited and LSE Financial Services Limited as on April 03, 2024 (Sanction Date) duly certified by Kreston Hyderbhimji & Co., Chartered Accountants.

Summary of Financial Position is as under:

|                            |           | <b>LSECAP</b> | <b>LSEFSL</b> |
|----------------------------|-----------|---------------|---------------|
| Non-Current Assets         | Rs. 000   | 2,845,119     | 321,928       |
| Current Assets             | Rs. 000   | 295,298       | 272,193       |
| Non-Current Liabilities    | Rs. 000   | (74,423)      | (1,924)       |
| Current Liabilities        | Rs. 000   | (263,886)     | (202,842)     |
| Share Capital and Reserves | Rs. 000   | (2,802,109)   | (389,355)     |
| Shares outstanding         | Nos.      | 181,153,345   | 35,677,578    |
| Book / Break-up<br>value   | Rs./share | 15.47         | 10.91         |
| Current ratio              | times     | 1.12          | 1.34          |
| Debt-equity ratio          | times     | 0.12          | 0.53          |

Please disseminate the information to TREC holders.

Yours truly,  
For and on behalf of LSE Capital limited.

  
**Inam Ullah**  
Company Secretary 

HB/24- 502

The Board of Directors,  
LSE Financial Services Limited  
LSE Building, Aiwan-e-Iqbal, Lahore

The Board of Directors  
LSE Capital Limited  
LSE Building, Aiwan-e-Iqbal, Lahore

Dear Sirs,

### **AUDITOR'S CERTIFICATE ON MERGER**

The Honorable Lahore High Court in its order C.O. No. 78278/2023 dated April 03, 2024 has approved the Merger Scheme of Compromises, Arrangement and Reconstruction (the "Scheme") under Sections 279 to 283 and 285 of The Companies Act, 2017 as follows:

#### **Part - 1 Complete Transfer of Assets and Undertakings**

|                      |         |   |                 |
|----------------------|---------|---|-----------------|
| Modaraba Al-Mali     | (MODAM) | - | Transferor; and |
| LSE Proptech Limited | (LSEPL) | - | Transferor      |

With and into

|                     |          |   |            |
|---------------------|----------|---|------------|
| LSE Capital Limited | (LSECAP) | - | Transferee |
|---------------------|----------|---|------------|

#### **Part - 2 Partial Transfer of Designated Assets**

|                     |          |   |                 |
|---------------------|----------|---|-----------------|
| LSE Capital Limited | (LSECAP) | - | Transferor; and |
| Modaraba Al-Mali    | (MODAM)  | - | Transferor      |

With and into

|                                |          |   |            |
|--------------------------------|----------|---|------------|
| LSE Financial Services Limited | (LSEFSL) | - | Transferee |
|--------------------------------|----------|---|------------|

#### **Part - 1**

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

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

#### **Part - 2**

The assets designated in the Scheme shall stand transferred to LSEFSL, which shall issue its new shares to the transferor, without involving / invoking, the transfer of any of the existing shares of LSEFSL.

Effective Date - June 30, 2023  
Sanction Date - April 03, 2024

In accordance with the approved Scheme, the draft financial statements of the above-mentioned entities have been prepared and initialed by the respective statutory auditors as of the Sanction Date (i.e. April 03, 2024) of the Scheme.

The undertakings and businesses of the entities involved in the Scheme, duly showing the demerger/ merger effect, including, without limitation, assets, liabilities, share capital, general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of LSE Proptech Limited and Modaraba Al-Mali (as transferors), are being / have been transferred to LSE Financial Services Limited and LSE Capital Limited (as transferees), as per the Statement of Financial Position showing Merger Effect based on the respective draft (initialed) financial statements.

### SCOPE OF THE CERTIFICATE

We, as a practicing Chartered Accountant, have been requested to certify the book values of assets and liabilities as mentioned in the Statement of Financial Position of the transferees showing Merger Effect, as prepared by the management of the LSEFSL and LSCAP, that are duly taken from the respective draft (initialed) financial statements for the period ended April 03, 2024.

### MANAGEMENT'S RESPONSIBILITY

It is the management's responsibility to prepare the merger statement of all the entities before and after the sanction order of Honorable Lahore High Court, Lahore regarding the impact of effectuation of the merger scheme, for onward presentation to the Board of Directors, in accordance with the Scheme of Arrangement under sections 279 to 282 and all other enabling provisions of the Companies Act, 2017. This certificate does not relieve the management from its responsibility.

### PRACTICING CHARTERED ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to certify that the Statement of Financial Position showing the Merger Effect of all the entities has been properly prepared and presented on the basis of net book values of the companies based on the draft (initialed) financial statements of the respective companies for the period ended April 03, 2024 for the purpose of issuance of new shares of LSE Financial Services Limited and LSE Capital Limited (Transferees) to the existing shareholders of Transferors as per the SWAP ratio as follows:

#### Impact of the Scheme on the Share Capital

|                                  |        | LSEPL       | MODAM      | LSECAP      | LSEFSL      |
|----------------------------------|--------|-------------|------------|-------------|-------------|
| Authorized Capital <b>before</b> | No. of | 150,000,000 | 92,000,000 | 25,000,000  | 52,000,000  |
| Impact of the Scheme             | Shares |             |            |             |             |
| Issued Capital <b>before</b>     | No. of | 90,090,731  | 90,816,915 | 21,000,000  | 10,000,000  |
| Impact of the Scheme             | Shares |             |            |             |             |
| Authorized Capital <b>after</b>  | No. of |             |            | 200,000,000 | 119,000,000 |
| Impact of the Scheme             | Shares |             |            |             |             |
| Issued Capital <b>after</b> the  | No. of |             |            | 181,153,345 | 35,677,578  |
| Impact of the Scheme             | Shares |             |            |             |             |

### Issuance of Shares as per SWAP ratio

| <b>LSE Capital Limited</b>   |               |                    |   |
|--|---------------|--------------------|---|
| Shares of LSECAP to be issued to the shareholders of LSEPL             | No. of Shares | 74,775,306         | 830 shares of LSECAP against every 1000 shares of LSEPL         |
| Shares of LSECAP to be issued to the certificate holders of MODAM      | No. of Shares | 75,378,039         | 830 shares of LSECAP against every 1000 certificates of MODAM   |
| Additional shares of LSECAP to be issued to the LSEFSL                 | No. of Shares | 10,000,000         |   |
|  |               | <b>160,153,345</b> |   |
| <b>LSE Financial Services Limited</b>                                  |               |                    |   |
| Shares of LSEFSL to be issued to the shareholders of LSECAP            | No. of Shares | 9,771,736          | 465.32 shares of LSEFSL against every 1,000 shares of LSECAP    |
| Shares of LSEFSL to be issued to the certificate holders of MODAM      | No. of Shares | 5,905,842          | 65.03 shares of LSEVL against every 1,000 certificates of MODAM |
| Additional shares of LSEFSL to be issued to the shareholders of LSECAP | No. of Shares | 10,000,000         | 476.19 shares of LSEFSL against every 1,000 shares of LSECAP    |
|  |               | <b>25,677,578</b>  |   |

Accordingly, our verification was limited to the following procedures:

1. We have obtained information about the net assets of Modaraba Al-Mali and LSE Proptech Limited to be transferred to LSE Capital Limited from its draft (initialed) financial statements as on April 03, 2024.
2. We have also obtained information regarding the net assets of LSECAP to be amalgamated into the LSEFSL from its draft (initialed) financial statements as on April 03, 2024.
3. We have obtained the pattern of shareholding of Modaraba Al-Mali, LSE Proptech Limited, LSE Capital Limited and LSE Financial Services Limited as on **April 03, 2024** for the purpose of determining entitlement of the shares of respective companies as per SWAP ratio.
4. We have checked that all the financial information used in the Statement of Financial Position showing the Merger Effect regarding the assets and liabilities is based on the draft (initialed) financial statements for the period ended April 03, 2024. However, all the allocations and transfers of the net assets have been made as decided by the management and approved by the members of the respective companies as per the Scheme. **(Attached as Annexure – A)**

### CERTIFICATE

Based on the procedures mentioned above, we certify that all the financial information as mentioned in the merger statement as regards to the book values of all the underlying assets and liabilities of all the above-named entities are based on the draft (initialed) financial statements of the respective entities for the period ended April 03, 2024 and all the merger adjustments on the effectuation of merger scheme have been incorporated therein as per the scheme as approved by the members of all the entities for the purpose of

issuance of new shares of LSE Capital Limited and LSE Financial Services Limited (Transferees) to the existing shareholders of LSEPL and MODAM (Transferors).

Our certificate is in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the information mentioned above.

**Restriction on use and distribution**

This certificate is being issued on the specific request of the management of LSE Capital Limited & LSE Financial Services Limited for the purpose of presenting to the Board of Directors of LSEFSL and LSECAP, the merger statement before and after the merger of all the entities in connection with the scheme of compromises, arrangement and reconstruction of LSE Proptech Limited, Modaraba Al Mali with and into LSE Capital Limited and Partial merger of LSE Financial Services Limited with and into LSE Capital Limited and shall not be used for any other purpose specified therein.

*Kreston Hyder Bhimji & Co.*

**KRESTON HYDER BHIMJI & CO.**  
**CHARTERED ACCOUNTANTS**

Lahore: May 27, 2024

The Board of Directors,  
LSE Financial Services Limited,  
LSE Building, Aiwan-e-Iqbal, Lahore.

The Board of Directors,  
LSE Capital Limited,  
LSE Building, Aiwan-e-Iqbal, Lahore.

ANNEXURE-A

Statement of Financial Position showing Merger Effect  
as on Sanction Date i.e. April 03, 2024

|  | LSEPL                        | MODAM                        | LSECAP                       | LSEFSL                       | Merger Adjustment                     |                                       |  |  | After Merger                           | After Merger                           |
|--|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------------|---------------------------------------|--|--|--|--|
|  | Rs. in 000<br>April 03, 2024 | Rs. in 000<br>April 03, 2024 | Rs. in 000<br>April 03, 2024 | Rs. in 000<br>April 03, 2024 | LSEPL<br>Rs. in 000<br>April 03, 2024 | MODAM<br>Rs. in 000<br>April 03, 2024 | LSECAP<br>Rs. in 000<br>April 03, 2024 | LSEFSL<br>Rs. in 000<br>April 03, 2024 | LSECAP<br>Rs. in 000<br>April 03, 2024 | LSEFSL<br>Rs. in 000<br>April 03, 2024 |
| <b>ASSETS</b>  |                              |                              |                              |                              |                                       |                                       |  |  |  |  |
| <b>Non Current Assets</b>  |                              |                              |                              |                              |                                       |                                       |  |  |  |  |
| Property and equipment   | 1,261,415                    | 3,695                        |                              | 307                          | -                                     | -                                     | -                                      | -                                      | 1,265,110                              | 307                                    |
| Investment property  | 378,431                      |                              |                              |                              | -                                     | -                                     | -                                      | -                                      | 378,431                                | -                                      |
| Goodwill from demerger   | 26,533                       |                              |                              |                              | (26,533)                              | -                                     | -                                      | -                                      | -                                      | -                                      |
| Intangible assets  | 22,260                       |                              |                              |                              | -                                     | -                                     | -                                      | -                                      | 22,260                                 | -                                      |
| Investment in equity shares of Ensmile Limited                   |                              | 335,477                      |                              |                              | -                                     | -                                     | -                                      | -                                      | 335,477                                | -                                      |
| Investment in equity shares of LSE Ventures Limited              |                              | 689,796                      |                              |                              | -                                     | -                                     | -                                      | -                                      | 689,796                                | -                                      |
| Investment in equity Shares of LSE Proptech Limited              |                              | 322,676                      |                              |                              | -                                     | (322,676)                             | -                                      | -                                      | -                                      | -                                      |
| Investment in equity Certificates of Modaraba Al-Mali            |                              |                              | 133,704                      |                              | -                                     | -                                     | (133,704)                              | -                                      | -                                      | -                                      |
| Investment in equity Shares of Digital Custodian Company Limited |                              |                              | 136,856                      |                              | -                                     | -                                     | 12,926                                 | 189,202                                | 149,782                                | 189,202                                |
| 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                                  | 4,189                        |                              |                              |                              | -                                     | -                                     | -                                      | -                                      | 4,189                                  | -                                      |
| Deferred tax   |                              |                              |                              | 7,042                        | -                                     | -                                     | -                                      | -                                      | -                                      | 7,042                                  |
| Loan and advances  |                              |                              |                              | 10,368                       | -                                     | -                                     | -                                      | -                                      | -                                      | 10,368                                 |
| Long term deposits   | 75                           |                              |                              | 15,009                       | -                                     | -                                     | -                                      | -                                      | -                                      | 15,009                                 |
|  | <b>1,692,903</b>             | <b>1,351,643</b>             | <b>270,561</b>               | <b>32,726</b>                |                                       |                                       |  |  | <b>2,845,119</b>                       | <b>321,928</b>                         |
| <b>Current Assets</b>  |                              |                              |                              |                              |                                       |                                       |  |  |  |  |
| Inventories  | 2,172                        |                              |                              |                              | -                                     | -                                     | -                                      | -                                      | 2,172                                  | -                                      |
| Trade and other receivables                                      |                              |                              |                              | 14,071                       | -                                     | -                                     | -                                      | -                                      | -                                      | 14,071                                 |
| Current portion of diminishing musharaka<br>ijarah finance       |                              | 69                           |                              |                              | -                                     | (69)                                  | -                                      | 69                                     | -                                      | 69                                     |
| Prepayments, deposits and advances                               | 12,443                       | 13,371                       | 41,249                       | 36,133                       | -                                     | (3,755)                               | -                                      | 3,755                                  | -                                      | 3,755                                  |
| Other receivables  | 30,041                       |                              | 14,537                       |                              | (5,218)                               | -                                     | (41,000)                               | -                                      | 26,063                                 | 36,133                                 |
| Short term investment / Financial assets                         | 11,320                       | 136,769                      | 130                          | 147,174                      | -                                     | -                                     | -                                      | -                                      | 39,360                                 | -                                      |
| Management fee receivable  |                              |                              | 330                          |                              | -                                     | -                                     | -                                      | -                                      | 148,219                                | 147,174                                |
| Accrued mark-up  |                              |                              | 6                            |                              | -                                     | -                                     | -                                      | -                                      | 330                                    | -                                      |
| Advance income tax   | 11,352                       | 16,417                       | 2,594                        | 41,756                       | -                                     | -                                     | -                                      | -                                      | 6                                      | -                                      |
| Bank balances  | 43,302                       | 3,345                        | 2,139                        | 29,235                       | -                                     | -                                     | -                                      | -                                      | 30,363                                 | 41,756                                 |
|  | <b>110,630</b>               | <b>173,725</b>               | <b>60,985</b>                | <b>268,369</b>               |                                       |                                       |  |  | <b>48,786</b>                          | <b>29,235</b>                          |
|  |                              |                              |                              |                              |                                       |                                       |  |  | <b>295,298</b>                         | <b>272,193</b>                         |
| <b>Total Assets</b>  | <b>1,803,533</b>             | <b>1,525,368</b>             | <b>331,545</b>               | <b>301,095</b>               | <b>(31,751)</b>                       | <b>(326,500)</b>                      | <b>(161,778)</b>                       | <b>293,026</b>                         | <b>3,140,417</b>                       | <b>594,121</b>                         |



**AUTHORIZED SHARE CAPITAL**

1,500,000      920,000      250,000      520,000

2,000,000      1,190,000

**Share Capital and Reserves**

Issued, subscribed and paid-up share capital

- Unappropriated profit

Capital reserves

Surplus on revaluation of property and equipment

- Building reserve fund

Merger Reserves

Fair value reserves

|           |           |         |         |
|-----------|-----------|---------|---------|
| 900,907   | 908,169   | 210,000 | 100,000 |
| 128,450   | 268,594   | 43,840  | (3,671) |
|           | 81,321    |         |         |
| 705,675   |           |         |         |
| 15,116    |           |         |         |
|           |           | 54,848  |         |
| 1,750,148 | 1,258,084 | 308,688 | 96,329  |

|           |           |           |
|-----------|-----------|-----------|
| -         | -         | (207,543) |
| 689,040   | (245,179) | (183,984) |
| -         | (81,321)  | -         |
| (705,675) | -         | -         |
| (15,116)  | -         | -         |
| -         | -         | 289,814   |
| -         | -         | (54,848)  |

|         |           |         |
|---------|-----------|---------|
| 256,776 | 1,811,533 | 356,776 |
| 3,671   | 700,761   | -       |
| 31,355  | -         | 31,355  |
| -       | -         | -       |
| -       | -         | -       |
| 1,224   | 289,814   | 1,224   |
| -       | -         | -       |
| -       | 2,802,109 | 389,355 |

**Non Current Liabilities**

Deferred tax liability

Other liabilities

|       |        |       |       |
|-------|--------|-------|-------|
| 3,254 | 61,433 | 3,582 |       |
| 6,154 |        |       | 1,924 |
| 9,408 | 61,433 | 3,582 | 1,924 |

**Current Liabilities**

Trade and other payables

Lease liabilities-Current Portion

Security deposits

Unclaimed profit distribution

Deposit payable related to discontinued operations

|        |         |        |         |
|--------|---------|--------|---------|
| 43,977 | 191,731 | 19,276 | 188,445 |
|        |         |        | 2,405   |
|        | 3,762   |        |         |
|        | 10,359  |        |         |
| 43,977 | 205,851 | 19,276 | 202,842 |

|   |   |         |
|---|---|---------|
| - | - | (5,218) |
| - | - | -       |
| - | - | -       |
| - | - | -       |
| - | - | -       |

|         |         |
|---------|---------|
| 68,269  | -       |
| 6,154   | 1,924   |
| 74,423  | 1,924   |
| 249,765 | 188,445 |
| -       | 2,405   |
| 3,762   | -       |
| 10,359  | -       |
| -       | 11,992  |
| 263,886 | 202,842 |

**Equity and Total Liabilities**

1,803,533      1,525,368      331,546      301,095      (31,751)      (326,500)      (161,778)      293,026      3,140,417      594,121

Note-1

The statement of financial positions as at the above captioned period of all the entities being presented before the effectuation of merger scheme is based on the audited financial statements of the entities for the period ended April 03, 2024 which is the sanctioned date of approval of the scheme by the Honorable Lahore High Court Lahore.

Note-2

The above statements of all the entities showing the transfer of assets and liabilities between the transferor and transferee form an integral part of this merger sheet summary.

Note-3

The intercompany receivables / payables that have been included in relevant notes to the financial statements of individual entities are shown separately in the aforerepresented summary of merger statement to reflect more appropriate understanding of the intercompany balances after the merger.

Note-4

All the assets and liabilities of LSEPL and MODAM are transferred to the LSECAP on the grounds as approved by the members of the companies in the scheme duly approved by the Honorable Lahore High Court Lahore.

LSE Financial Services Limited

Chief Financial Officer

*[Signature]*  
Director

*[Signature]*  
Chief Executive Officer

LSE Capital Limited

Chief Financial Officer

*[Signature]*  
Director

*[Signature]*  
Chief Executive Officer

