

January 16th, 2026

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

Subject: Declaration of Right Shares Issuance and other Material Information

Dear Sir,

Please be apprised that the Board of Directors of LSE Capital Limited (“the Company/LSECL”) through resolution by circulation dated January 16, 2026, has taken the following decision:

To increase the paid-up share capital of the Company by issuance of further 24,693,310 Ordinary Shares at par value (i.e., at Rs. 5/- each) by issue of Right Shares to be offered to the members in proportion of 6.82 Right Shares for every 100 ordinary shares held, i.e., 6.82% Right Issue at par value of Rs. 5/- per share.

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

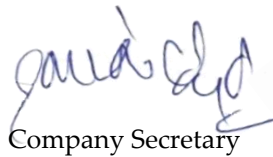
The following Annexes are attached herewith:

- **Annexure-A:** Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the Shareholders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.
- **Annexure-B:** Certified true copy of the Extract of the Resolutions passed by the Board of Directors.
- **Annexure-C:** Draft copy of the notice of Right Issue to the Shareholders prior to its publication in the newspapers.

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

Yours truly,

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



Company Secretary



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

LSE Capital Limited

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

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

The quantum of the Right Issue is approximately **6.82%** of the existing paid-up capital of the Company, i.e., approximately **6.82** right shares for every **100** ordinary shares held by the shareholders of the Company immediately prior to the close of the Share Transfer Books of the Company.

2. Right Issue Size

The Company shall issue **24,693,310** (Twenty-four million six hundred ninety-three thousand three hundred ten) ordinary shares, at a price of **PKR 5/-** per share, aggregating **PKR 123,466,550/-** (Pak Rupees One hundred twenty-three million four hundred sixty-six thousand five hundred fifty only).

3. Right Issue Price

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

4. Purpose of the Issue

The purpose of Right Issue shall be to provide seed money/earmarked for Special Purpose Acquisition Company(ies) (SPACs) and make other investments in pre-IPO, IPO and SPO offering companies/ Investment in Associates.

5. Utilization of Proceeds of the Right issue

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

Sr.	Description	PKR	%age
1	Earmarked for SPACs	75,000,000	61%
2	Invest in pre-IPO, IPO & SPO offering companies/ Investment in Associates	48,466,550	39%
	Total Fund Required*	123,466,550	100%

*The Board of the Company shall have the discretion to allocate the whole or any part of the subscription money towards any of the above utilization.

6. Benefits to the Company and its Shareholders

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

a) Portfolio Diversification:

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

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

b) Strategic Positioning:

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

7. Risk Factors associated with the Right issue

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

Sr.	Risks	Mitigation
1	Undersubscription Risk: The rights issue may fail to attract full subscription	To ensure the successful raising of the required funds, the rights issue will be 100% underwritten by the independent underwriter in accordance with the applicable laws.
2	Investment Risk: The strategy to invest in Special Purpose Acquisition Companies (SPACs) and pre-IPO companies aims for high returns and diversification, it is a high-risk investment strategy.	LSECL has conducted extensive due diligence on all potential pre-IPO and SPAC merger targets to ensure they have sound business models, strong leadership, and a competitive edge, as per its stated investment philosophy. The company have an experienced team to actively manage its investments, especially the SPACs it sponsors, to ensure they find and merge with promising targets.
3	Execution Risk: The plan to raise PKR 188.46 million via a rights issue to fund investments in SPACs and pre-IPO companies depends on successful execution. There is a risk that the SPACs may not find suitable targets.	LSECL has developed a detailed roadmap for its SPAC transactions, including a clear timeline and criteria for identifying target companies. This plan is backed by a strong internal team and external network to source and close deals efficiently.
4	Market Risk: The rights issue can signal financial distress or dilute the value of existing shares, which can negatively affect the share price and investor confidence.	LSECL has adopted a comprehensive strategy focusing on transparent communication, strategic use of funds, and thoughtful structuring of the offering. The rights issue is tied to its long-term strategy, not just short-term needs.
5	Economic Slowdown: Slow down and/or deterioration of macroeconomic conditions could trigger market volatility and impact the valuation of LSECL's investments, particularly the	This risk is managed by maintaining a diversified investment portfolio over the long term.

	exit valuation of Pre-IPO and SPO investments.	
6	Business Risk: Business risk is the possibility of the Company reporting lower than anticipated profits or loss	The business risk for LSECL is mitigated by the regular and consistent income from its operations.
7	Regulatory Risk: Changes in the regulatory framework governing SPACs in Pakistan, or the failure of SPAC to adhere to the prescribed timelines and rules for its IPO and eventual de-SPAC transaction, could negatively affect LSECL's investment.	The Company's investment in SPAC is contingent upon the regulatory environment remaining stable and SPAC achieving its de-SPAC target.
8	Liquidity Risk: Liquidity risk is where an entity will encounter difficulty in meeting obligations associated financial liabilities.	The Company manages liquidity risk by maintaining adequate cash reserves and ensuring the availability of funds through stable and sufficient revenue streams.
9	Credit Risk: Credit risk is the potential for loss if a counterparty to a financial instrument fails to discharge its obligation.	The Company confirms that there were no material advances or other receivables that have defaulted in the past three financial years. The Company manages this risk by dealing with financial highly-rated institutions and associates, and any future default could negatively impact the financial performance of LSECL.

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

Not Applicable

9. Provision of ASBA facility (optional)

The Company is not opting for the option

10. Minimum Subscription Amount

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

11. Justification for issuing different kind and class of shares, if applicable

Not Applicable

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

Annexure B

EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN THE MATTER OF RIGHT ISSUE FOR RAISING ADDITIONAL CAPITAL OF RS. 123.46 MILLION BY OFFERING 24.69 MILLION ORDINARY SHARES OF THE COMPANY:

BOARD RESOLUTIONS:

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

Type of Security	Face Value Rs./Share	Right Price Rs./Share	Right Issue Nos.	Share Capital Rs.	Share Premium Rs.	Right Issue Rs.
Ordinary Shares	5.00	5.00	24,693,310	123,466,550	Nil	123,466,550
6.82 Right Shares for every 100 ordinary shares held, i.e., 6.82% Right Issue at par value of Rs. 5/- per share against payment to the Company.						

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

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

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

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

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

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

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

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



Company Secretary



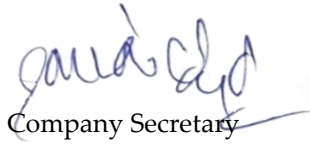
NOTICE OF RIGHT ISSUE

Members are hereby notified that Board of Directors of LSE Capital Limited (“the Company”) through Resolution by Circulation dated, January 16, 2026, has decided to issue additional share capital by way of right as follows:

Type of Security	Face Value	Right Price	Right Issue	Share Capital	Share Premium	Right Issue
	Rs./Share	Rs./Share	Nos.	Rs.	Rs.	Rs.
Ordinary Shares	5.00	5.00	24,693,310	123,466,550	Nil	123,466,550

1. 6.82 Right shares for every 100 ordinary shares held i.e. 6.82% Right Issue at par value of Rs. 5/- per share against payment to the Company.
2. The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of Right Share will be communicated in due course after finalization of the Right Share- Offer Document (Schedule-1) in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

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


Company Secretary

Date: January 16th, 2026