NOTICE

ANNUAL GENERAL MEETING

LSE FINANCE

LSE Financial Services Limited

held on Wednesday, November 27th, 2024

LSE Financial Services Limited
The Market Hub | LSE Plaza | Kashmir Egerton Road | Lahore - 54000 | Pakistan
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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the Annual General Meeting of LSE Financial Services Limited **(the "Company")** will be held on Wednesday, November 27th, 2024, at 10:15 a.m. at the auditorium, the Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore, to transact the following business: -

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on November 21, 2023.

2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon.

   In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company and can be downloaded from the following web link and QR enabled code:

https://lse.com.pk/assets/downloads/financials/Annual/LSEFSL-Annual-Report-2024.pdf	

3. To consider and declare final cash dividend of Rs. 0.50/- per share for the year ended June 30, 2024, to the shareholders of the Company as having been recommended by the Board of Directors.

4. To appoint External Auditors of the Company for the year ending June 30th, 2025, and to fix their remuneration.

SPECIAL BUSINESS:

5. **To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the "Annual Audited Financial Statements") and the notice of general meetings etc. to the Company's shareholders through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21st, 2023:**

   "**RESOLVED THAT** as notified by the Securities and Exchange Commission of Pakistan, via S.R.O No. 389(I)/2023, dated March 21, 2023, transmission of Annual Audited Financial Statements of the Company to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future."

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6. **To approve, as and by way of an Ordinary Resolution, the placement of Quarterly Accounts of the Company at its website, instead of sending the same by post to the members, as allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004:**

"**RESOLVED THAT** as had been allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004, the placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members, be and is hereby approved for future."

7. **To consider and accord the approval for the surrendering of the Company's NBFC/Investment Finance Services License.**

"RESOLVED THAT the approval be and is hereby accorded for surrendering of the Company's NBFC/Investment Finance Services License.

FURTHER RESOLVED THAT the approval be and is hereby accorded for deletion/omitting of All NBFC business related clauses from the Memorandum of the Company.

FURTHER RESOLVED THAT the name of the Company be and is hereby changed from its present name to **"LSE FinTech Limited"** or any other suitable name upon reservation and confirmation of the same from the Securities and Exchange Commission of Pakistan by the management, and changing the same in the Memorandum and Articles of Association and all other documents of the Company, wherever appearing.

FURTHER RESOLVED THAT upon surrendering the license, all relevant assets & liabilities and the fund management business of the Company, be and is hereby approved to be transferred to LSE Capital Limited, being the licensed Islamic Financial Institution.

FURTHER RESOLVED THAT wherever necessary and deemed prudent for the benefit of the shareholders and for the retrieval of the maximum value of the Company, the Board, be and is hereby authorized to implement any restructuring scheme for the above purpose.

FURTHER RESOLVED THAT the approval be and is hereby accorded for the change of principal line of business from the investment finance services to information technology services, and to change present Clause 3.1 of the Memorandum of Association of the Company to read as under:

(i) To manage, operate, develop, sale, market and export IT solutions, IT enables services, digital data storage facilities and social media infrastructure and platforms".

FURTHER RESOLVED FURTHER THAT the Company Secretary be and is hereby singly authorized to do or cause to do all acts, deeds and things and necessary actions and fulfill all legal, corporate, secretarial and procedural formalities and making of necessary entities in the statutory registers to that effect and for accomplishing the change of name of the Company and for alteration of the Company's Memorandum and Articles of Association.

FURTHER RESOLVED THAT the approval be and are hereby accorded to withdraw all the special resolutions passed earlier by the general body for getting the license of Professional Clearing Member as well as the change of the Company's name to LSE Finance Limited."

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8. **To consider and if deemed appropriate, pass the following Special Resolutions under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):**

"RESOLVED THAT the approval be and is hereby accorded for the addition/disposal of the Company's investments in its associated companies, not exceeding PKR 100Mn in aggregate on market/negotiated price, as well as the provision of periodical working capital to any of the associated companies, not exceeding PKR 100Mn in principal and return thereon not below rate of six (6) months KIBOR+1%."

"FURTHER RESOLVED THAT the Board of the Company be and is hereby authorized to approve the above transactions in respect of the related parties on a case-to-case basis which may be carried out during the financial year ending June 30, 2025."

"FURTHER RESOLVED THAT, the relevant transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification."

Issued under the authorization of the Board:

Inam Ullah
Company Secretary

November 5th, 2024

1. **BOOK CLOSURE**

The Share Transfer books of the Company will remain closed, and no transfer of shares will be accepted for registration from November 20, 2024, to November 27, 2024 (both days inclusive). Any transfer request received by the office of the share registrar of the Company by the close of business on November 19th, 2024, will be treated in time for the purpose of attendance in the AGM.

2. **ATTENDANCE OF MEETING**

Attendance in the meeting shall be marked on the production of original CNIC or passport of the member or his/her proxy or authorizations from the corporate members. CDC Account Holders must follow the guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the SECP to attend the meeting.

Any individual member entitled to attend, speak and vote at the AGM can also appoint a proxy to attend, speak and vote on his/her behalf. Similarly, the corporate members can also give authorizations to any natural person to attend the meeting on their behalf.

In order for the proxies to be effective, they must be duly signed, filled, witnessed and deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

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The Company has also made the arrangements to ensure the participation of all shareholders in the AGM proceedings via a video link. In order to attend the meeting through video link, the members are requested to share the below information, via email to **inamullah@lse.com.pk**, for their appointment/registration and proxy verification by or before November 23, 2024 as per below format:

Full Name	CNIC No	Registered Email	Cell No.	No of Shares	Folio/CDC No.

Video link details and login credentials will be shared with those members whose particulars and registered emails are received on or before 4:00 PM on November 23rd, 2024,

Furthermore, the shareholders may also provide their comments and questions for the agenda items of the AGM at the email address **inamullah@lse.com.pk,** which will be duly responded to in the said meeting.

3. E-VOTING & VOTING THROUGH POSTAL BALLOT:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on November 27, 2024, at 09:45 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

4. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2024 have been made available on Company's website https://lse.com.pk/financial-reports.php in addition to annual and quarterly financial statements for the prior years.

Any Member requiring printed copy of Annual Report may send request using a standard Request Form placed on the Company's website. The Company will provide the printed copy of Accounts to such members free of cost within one week of such demand.

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5. CHANGE IN ADDRESS AND CNIC:

The members are requested to notify any change in their address and contact details, as well as the attested photocopy of their valid CNICs, in case of the book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company, by quoting their folio numbers and name of the Company at the below mentioned address of the Company's Share Registrar, if not earlier notified/submitted:

M/s CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi–74400.

6. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per section 72 of the Companies Act, 2017 every existing listed company is also required to replace its physical shares with the book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30th, 2017.

In the light of the above, the shareholders holding physical share certificates are once again encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.

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STATEMENT OF MATERIAL FACT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The statement sets out the material facts pertaining to the special business items to be transacted at the Annual General Meeting of the Company to be held on Wednesday, November 27, 2024.

Agenda Item # 5.

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its S.R.O. No.389(I)/2023, dated March 21st, 2023, to circulate the annual balance sheet and profit and loss account, auditors' report and directors' report etc. ("Annual Audited Financial Statements") to their Members through QR-enabled code and weblink instead of transmitting the same through CD/DVD/USB, subject to approval of the shareholders in the general meeting. Considering the optimum use of advancements in technology and in order to avail cost effective measure, approval of members is sought as per requirement of the above SRO, for circulation/transmission of the Annual Audited Financial Statements to the members through QR-enabled code and weblink.

Agenda Item # 6.

The Securities and Exchange Commission of Pakistan through Circular No. 19 of 2004 had allowed the listed companies to place the Quarterly Accounts on their website instead of transmitting the same to the shareholders by post. In order to best use of technology and save the printing and distribution cost, approval of members is sought as per requirement of the above circular, for placement of Quarterly Accounts of the Company at its website, instead of circulation/transmission of the hard copies by post.

Agenda Item # 7.

In view of the current economic situation of the country and the regulatory compliance issues particularly relating to the NBFC Rules and Regulations, the management deems that the NBFC business is no longer feasible for the Company.

The management proposes that instead the Company should be transformed into a fintech entity to embrace the potential of the emerging technology business.

It may be mentioned that LSE already has a rich history of developing and providing the broker back-office system and other trading technology solutions to the stock market players of the country. After the surrender of the NBFC license, LSE FinTech Limited (proposed name) shall acquire the licensing and servicing rights of the brokers back-office system presently held by LSE Capital Limited.

Accordingly, the Board Members are hereby requested to consider and pass the following resolutions, by return email, with or without modifications, as deemed appropriate by them in their absolute discretion.

Agenda Item # 8.

The disclosure required under section 199 of the Act and Regulation 5(5) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are as under:-

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(a) DISCLOSURES FOR ALL TYPES OF INVESMENTS:

(A) Regarding associated company or associated undertaking: -

Sr. No.	Requirement	Information		
(i)	Name of Associated Company or associated undertaking	LSE Capital Limited	LSE Ventures Limited	Digital Custodian Company Limited
(ii)	Basis of relationship	Associated Company with 5.52% shareholding and Common directorship	Associated Company with and Common directorship.	Associated Company with 36% shareholding and Common directorship
(iii)	Earnings per share for the last three years	Year 2024: Rs. 2.26 Year 2023: Rs. 3.98 Year 2022: Rs. 0.90	Year 2024: Rs. 1.04 Year 2023: Rs. 1.24 Year 2022: N/A	Year 2024: Rs. 1.45 Year 2023: Rs. 0.11 Year 2022: Rs. (1.97)
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 16.40 as on June 30, 2024.	Rs. 13.60 as on June 30, 2024.	Rs. 11.48 as on June 30, 2024.
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Audited Financial Statements of LSECL for the year ended June 30, 2024 available at: http://www.lse.com.pk	Audited Financial Statements of LSEFSL for the year ended June 30, 2024 available at: http://www.lse.com.pk	Audited Financial Statements of DCCL for the year ended June 30, 2024 available at: https://digitalcustodian.co/accounts.php
(vi)	In case of investment in relation to a project of associate company or associated undertaking that has not commenced operations,	Not applicable	Not applicable	Not applicable

(B) General Disclosures:

(i)	**Maximum aggregate amount of investment to be made**	**Upto Rs. 100 million as short-term loans and advances to all associated companies in aggregate**		
(ii)	Purpose, benefits likely to accrue to the investing company and its	To meet the working capital requirement of the Company.	To meet the working capital requirement of the Company.	To meet the working capital requirement of the Company.

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	members from such investment and period of investment.			
(iii)	.Cost benefit analysis;	Through internal sources.	Through internal sources.	Through internal sources.
(iv)	Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment.	Agreements with Associate will be available at the AGM for review of the shareholders		
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates' company or associated undertaking or the transaction under consideration:	Following Directors have direct or indirect interest in the associated companies: Mr. Muhammad Iqbal Mr. Aftab Ahmad Ms. Aasiya Riaz	Following Directors have direct or indirect interest in the associated companies: Mr. Aftab Ahmad Ms. Aasiya Riaz	Following Directors have direct or indirect interest in the associated companies: Mr. Muhammad Iqbal Mr. Aftab Ahmad
(vi.	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	Investment in associated entities are made on an arm's length basis and there has been no impairment or write off. All past transaction had yielded the required returns.		

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(b)

(i)	**Maximum price at which securities will be acquired**	**Not Applicable**
(ii)	In case the purchase price is higher than market value in case of	Not Applicable
(iii)	Maximum number of securities to be acquired	Not Applicable

(c) In case of Investments in the form of Loan and Advances and guarantees:

(i)	**Category wise number of investments**	**Short term loan / advance Upto Rs. 100 million as short-term loans and advances to all associated companies in aggregate**
(ii)	Average borrowing cost of the investing Company	Not applicable
(iii)	Rate of interest, markup profit, fees or commission etc. to be charged by investing company	6M KIBOR+1%
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Not applicable
(v)	If the investment carry conversion features:	No Conversion option
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not applicable

In pursuance to Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 under SRO 1240(1)/2017 dated 6 December 2017, the directors of the Company have carried out due diligence for the proposed investment in its associated company/associated undertakings before sending this recommendation for the member's approval.

Note: None of the Directors of the Company have any direct or indirect interest in this special business except to the extent of their respective shareholding in the Company.

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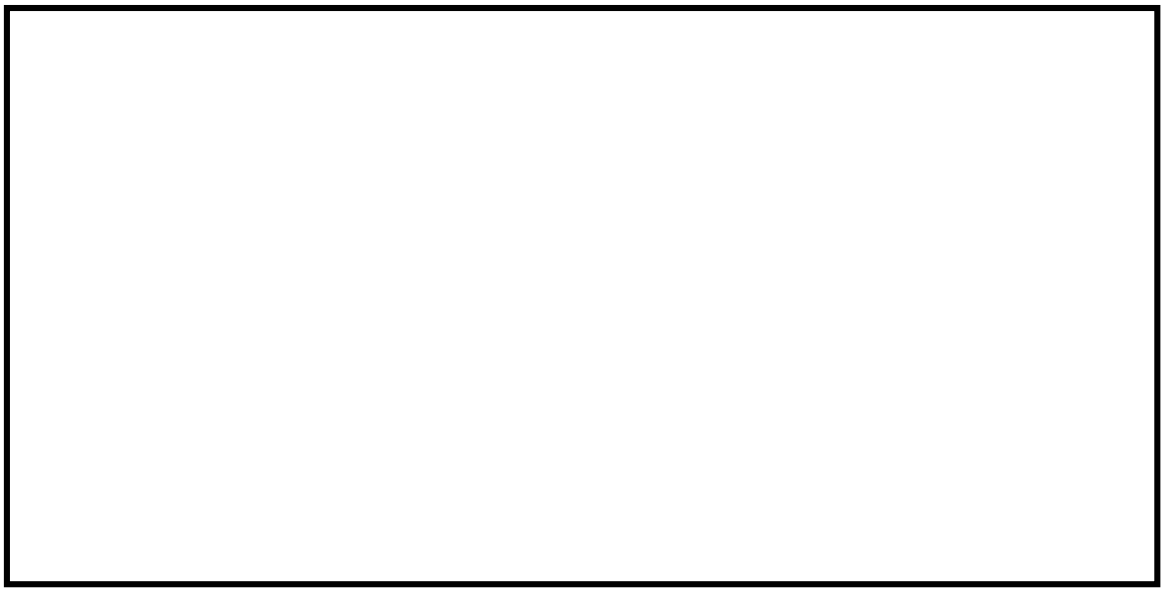
BOOK POST

UPC



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