

Schedule I
The Companies (Further Issue of Shares) Regulations, 2020
Right Share - Offer Document

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (*HEREIN REFERRED TO AS 'OFFER DOCUMENT'*) AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE THE SOLE LIABILITY OF THE INVESTORS.

*This document is issued for the purpose of providing information to certificate-holders of Modaraba Al Mali and to the public in general in relation to the rights issue of **Rs. 113,929,700** consisting of new modaraba certificates of **11,392,970** by **Modaraba Al-Mali**. A copy of this document has been registered with the Securities Exchange.*

*This offer document is valid till **September 03, 2023** (i.e. 60 days from the last day of payment of subscription amount)*

1. Company profile and history

Full name of the Issuer	Modaraba Al Mali
Incorporation date	June 07, 1987
Date of commencement of business	June 07, 1987
Corporate Universal Identification Number (CUIN)	No.5(8) Reg-Mod/87-66
Address of Registered Office	LSE Plaza, 5 th Floor, Khayaban-e-Aiwan-Iqbal Road, Lahore. Phone: + 92-42-36368000-04
Address of Other Corporate Office	Perdesi House Old Queens Road, 4 th Floor Karachi. Phone: +92 21 3241 9770
Website address and web-link where latest available financial statements are placed (in case of listed company)	www.modarabaalmali.com
Contact details for certificate-holder facilitation (in form of postal address, phone number or email address)	Rashid Matin Khan COO Perdesi House Old Queens Road, 4 th Floor Karachi. Phone: +92 21 3241 9770

2. Details of the current right issue

Description of the Issue	Size of the Issue	Issue Price per Share	No. of Shares	Face (Par) Value per Share
14.34% Right	113,929,700	10.00	11,392,970	10.00

3. Other Detail

1. Date of Final Offer Letter	
2. Date of placing offer document on PSX for public comments.	Not Opted
3. Date of Book Closure - From	May 23, 2023
4. Date of Book Closure - To	May 29, 2023
5. Commencement of trading of unpaid Rights on the Pakistan Stock Exchange Limited	June 06, 2023
6. Last date of trading of Rights Letter	June 23, 2023
7. Last date for acceptance and payment of shares in CDC and physical form - Last payment date	July 05, 2023
8. Web site address from where the offer documents can be downloaded	www.modarabaalmali.com

Detail of the relevant contact persons					
	Name of the Person	Designation	Contact No.	Office Address	E-mail I.D.
1. Authorized Officer of the Issuer	Rashid Matin Khan	COO	+92 21 3241 9770	Perdesi House Old Queens Road, 4th Floor Karachi.	rashid.khan@assetplex.com.pk
2. Underwriter	Abdul Aziz Habib (Dawood Equities Ltd.)	CEO	021-32271883	17th Floor, Saima Trade Tower A, I.I. Chundrigar Road, Karachi, Pakistan	contact@dawoodequities.com
3. Underwriter	Noman Abdul Majeed (Adam Securities (Pvt.) Ltd)	CEO	021-32437380	Room # 806-814, 8 th Floor Main PSX Building, Stock Exchange, Karachi.	noman@adamsecurities.com.pk
4. Bankers to the Issue	Muhammad Rehan (JS Bank)	Cluster Manager	051-2895486	ISE Tower, 55-B, Jinnah Avenue, Blue Area, Islamabad	MRehan.Malik@jsbl.com
5. Bankers to the Issue	Hafiz Imran (Faysal Bank)	Branch Manager	+923214156993	Property # S-86-R, 405 Ferozepur Road Naseerabad, Lahore	hafizimran@faysalbank.com

The following undertaking by the Issuer:

WE, SIDDIQUE-UR REHMAN KHURRAM, THE CHIEF EXECUTIVE OFFICER AND MUHAMMAD ADEEL REHMAN, CHIEF FINANCIAL OFFICER OF THE MODARABA AL MALI, CERTIFY THAT;

- i. THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
- ii. THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
- iii. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- iv. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- v. ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED."

For and on behalf **MODARAB AL-MALI**

..... Sd-.....
SIDDIQUE-UR REHMAN KHURRAM
CHIEF EXECUTIVE OFFICER

..... Sd-.....
MUHAMMAD ADEEL REHMAN
CHIEF FINANCIAL OFFICER

DISCLAIMER:

- i. In line with the Companies Act, 2017, and the Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities & Exchange Commission of Pakistan (SECP).
- ii. The Securities Exchange and the SECP disclaims that:
 - a. *any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.*
 - b. *any responsibility for the financial soundness of the Company and any of its Schemes/ projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.*
 - c. *any responsibility with respect to the quality of the issue.*
- iii. It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

Glossary of Technical Terms & Definitions

Issuer / Modaraba	Modaraba Al-Mali
Act	Companies Act, 2017
CDC	Central Depository Company of Pakistan Limited
Commission/SECP	Securities and Exchange Commission of Pakistan
NCCPL	National Clearing Company of Pakistan Limited
Modaraba Ordinance	Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980
Modaraba Rules	Modaraba Companies and Modaraba Rules, 1981
Modaraba Company /Management Company	Assetplex Limited
PSX / Stock Exchange	Pakistan Stock Exchange Limited
Registrar Modaraba	Registrar of the Modaraba Companies and Modaraba, Islamabad
Regulations	The Companies (Further Issue of Shares) Regulations, 2020, and Modaraba Regulations, 2022

Table of Contents

1. Salient Features of the Right Issue
 2. Subscription Amount Payment procedure
 3. Profile of management and sponsors
 4. Financial Details of the Issuer
 5. Risk Factors
 6. Legal Proceedings
-

Salient Features of the Right Issue

i. Brief Terms of the Right Issue

a) Description of the Issue	R2 - 14.34% Right Issue at par value of Rs. 10/- per modaraba certificate
b) Size of the proposed issue	The Modaraba shall issue 11,392,970 modaraba certificates, at a price of PKRs. 10/- per modaraba certificate, aggregating to PKRs. 113,929,700.
c) Face value of the modaraba certificate	PKRs. 10/- per modaraba certificate
d) Basis of determination of price of the right issue	Par value
e) Proportion of new issue to existing issued shares with condition, if any	The quantum of the Right Issue is approximately 14.34% of the existing paid-up capital of the Modaraba i.e. approximately 14.34 right certificates for every 100 Modaraba certificates held by the certificate-holders of the Modaraba.
f) Date of meeting of board of directors (BoD) wherein the right issue was approved	March 29, 2023
g) Names of directors attending the BoD meeting	<ul style="list-style-type: none"> • Mr. Usman Hassan • Mr. Siddique-ur Rehman Khurram • Ms. Aasiya Riaz • Mr. Hafiz Mudassir Alam • Mr. Muhammad Usman • Mr. Aoun Muhammad
h) Brief purpose of utilization of right issue proceeds	The purpose of the issue shall be the payment of liabilities & loan against the working capital requirements having been met during the course of the business.
i) Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.	<p>Total Funds required for the project – Rs. (in million) – 113.930</p> <p>% of funds financed through the right issue - 100%</p> <p>% of funds financed from other sources - 0%</p> <p>Time completion of project - June 30, 2023</p> <p>Impact on production capacity - Not applicable</p>
j) Minimum level of subscription (MLS)	100% The Right Issue would be completely underwritten as per requirements of the applicable regulations
k) “Application Supported by Blocked amount” (ASBA) facility, if any, will be provided for subscription of right shares	Not Applicable No option is being provided

ii. Principal Purpose of the Issue and funding arrangements:

a) Details of the principal purpose of the issue.

The funds generated from the further issue of capital will be utilized as aforementioned. The benefits of the enhanced working capital to the Modaraba shall be the continued utilization of the funds without any financial burden. As the pre and post right breakup values of the Modaraba certificates are PKR 14.13/- and 13.61/- respectively, it means that the certificate holders would get to subscribe to the rights shares between 35-40% discount. In this respect, the Modaraba owes an amount of PKRs. 63,929,700/- to its Modaraba Management Company (Assetplex Limited), while it also has an amount of PKRs. 50,000,000/- as musharakah finance facility obtained from Digital Custodian Company Limited (June 30, 2022: Nil) for a tenor of 276 days to meet its working capital requirements. It carries profit rate @ 6 months Kibor + 2% per annum. This facility will be paid off in full through right proceeds.

b) Additional disclosures relating to purpose of the issue shall be made in case of the following:

• If purpose of the issue is to finance a project	Not Applicable
• If purposes of the issue is to purchase Plant/ Equipment/ Technology	Not Applicable
• If the purpose of the issue is to acquire Land	Not Applicable
• If the purpose of the issue is to acquire intangible assets	Not Applicable
• If purpose of the issue is loan/debt repayment	The Payment of liabilities & loan against the working capital requirements having been met during the course of the business. In this respect, the Modaraba owes the amount of PKRs. 50,000,000/- as musharakah finance facility obtained from t Digital Custodian Company Limited (June 30, 2022: Nil) for a tenor of 276 days to meet its working capital requirements. It carries profit rate @ 6 months Kibor + 2% per annum. This facility will be paid off in full through right proceeds.
• If purposes of the issue is BMR/investment in greenfield project	Not Applicable
• If purpose of the issue is to finance working capital	Since the purpose of the Right Issue is the Payment of liabilities & loan against the working capital requirements, therefore, in this respect, the amount of PKRs. 63,929,700/- owed to its Modaraba Management Company (Assetplex Limited), towards short term financial assistance availed to meet the operational requirements of the Modaraba's business. It is unsecured, interest free and payable on demand. Since Modaraba is engaged in the investments (long term and short term) and its income is derived from dividend and capital appreciation, Cash Conversion Cycle (in days) is not practical to be calculated. This facility will be paid off in full through right proceeds.
General Requirements	Nothing except provided above.

iii. Financial effects arising from right issue

	Measurement Unit	Pre-Issue	Post Issue	Increase in %
Authorized Capital	Rs.	920,000,000	920,000,000	0.00%
Paid-up Capital	Rs.	794,239,450	908,169,150	14.34%
Net Asset/Breakup Value	Rs./Share	14.20	14	-4.14%
Gearing Ratio	times	0.13	0.02	-82.19%
Production Capacity		Not Applicable		
Market Share		Not Applicable		

iv. Total expenses to the issue (provisional)

	Rs.
Consultant to the Issue	1,139,297
Underwriting Commission	1,139,297
Bankers' to the Issue	569,649
Increase of Capital	1,200,000
Others	1,139,297
	5,187,540

v. Details of underwriters

Name of Underwriter	Amount in Rs. Underwritten	Associated Company / Associated Undertaking of the Issuer
Dawood Equities Limited	95,827,346	No
Adam Securities Limited	5,043,545	No
	100,870,891	

vi. Commitments from substantial shareholders/directors:

Name of the Person	Amount to Subscribe	No. of Shares committed to be subscribed	Shareholding - Pre-Right	Shareholding % - Pre-Right	Shareholding % - Post right
Assetplex Limited - Modaraba Company	13,058,800	1,305,880	9,103,703	11.46%	11.46%
Directors	-				
	13,058,800	1,305,880			

vii. Fractional shares

Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

viii. Important Dates:

Date of credit of unpaid Rights into CDC in Book Entry Form	30-May-23	Tuesday
Dispatch of Letter of Right (LOR) to physical certificate-holders	5-Jun-23	Monday
Intimation to Stock Exchange (s) for dispatch of physical Letter of Rights	5-Jun-23	Monday
Commencement of trading of unpaid Rights on the Pakistan Stock Exchange Limited	6-Jun-23	Tuesday
Last date for splitting and deposit of Requests into CDS	14-Jun-23	Wednesday
Last date of trading of Rights Letter	23-Jun-23	Friday
Last date for acceptance and payment of certificates in CDC and physical form - Last payment date	5-Jul-23	Wednesday
Allotment of shares and credit of book entry of Shares into CDC	25-Jul-23	Tuesday
Date of dispatch of physical Modaraba certificates	4-Aug-23	Friday

2. Subscription Amount Payment procedure:

- Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of “**Modaraba Al-Mali-Right Shares Subscription Account**” through any of the authorized branches of above mentioned bank(s) on or before **July 05, 2023** along with this Right Subscription Request* duly filled in and signed by the subscriber(s).
- Right Subscription Request can be downloaded from www.modarabaalmali.com.
- In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, Modaraba Al-Mali at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.

- v. The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on **July 05, 2023**, unless evidence is available that these have been posted before the last date of payment.
- vi. Payment of the amount indicated above to the issuer's Banker(s) to the issue on or before **July 05, 2023** shall be treated as acceptance of the Right offer.
- vii. After payment has been received by the Company's banker(s), the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

3. Profile of management and sponsors

Sr.	Names of Director	Address	Brief Profile	Directorship held in other Companies
1	Usman Hassan Chairman Independent Director	National Police Foundation, House #. 78, Street # 8, Sector E- 11/4, Islamabad	Mr. Usman Hassan is the Independent Director and the Chairman of the Company. He is a Chartered Accountant by profession from A.F. Ferguson & Co. and running his own professional firm in Islamabad-Pakistan. His career spans a period of over 20 years in which he has worked in over 10 different countries. He has worked for international organizations including UNDKO, UNDP, UNOPS, USAID, Global Fund, Millennium Challenge corporation and UNAIDS. His special interests and focus have been in areas of finance, Budget Management and Reporting, assurance, Taxation, Procurement and Capacity Building.	▪ Assetplex Limited
2	Siddique Ur Rehman Khurram Chief Executive Officer Executive Director	House # 28, Street # 02, Al-Huda town Lettar Road, Islamabad.	Mr. Siddiq-ur-Rahman Khurram is the CEO of AssetPlex Limited, the Modaraba Management Company of the Modaraba. He has been associated with all three stock exchanges of the country in different assignments. He is holding Master Degree in Information Technology.	▪ Assetplex Limited
3	Hafiz Muddassir Alam Non-Executive Director	House No. 66, Street No. 66, I-10/1, Islamabad.	Hafiz Muddassir Alam is an IT professional, having experience of more than 10 years in information processing (technology) and information security (policing). He served in all 3 stock markets of Pakistan i.e. Islamabad Stock Exchange, Lahore Stock Exchange, and Karachi / Pakistan Stock Exchange, and is currently working for a fintech company in the capacity of Information Security. He also served a USAID project for "Financial market development in Pakistan" as an IT Specialist. His domain of work is technology especially for financial institutions, information processing/handling facilities, and information risk management.	▪ Assetplex Limited
4	Muhammad Usman Non- Executive Director	House # CB- 173, Street # 05, Range	Mr. Muhammad Usman is associated with LSE Financial Services Limited as Company Secretary. He is results-driven professional with over 12 years' experience having vast	▪ Assetplex Limited

		Road, Shalley Valley, Rawalpindi.	exposure in Compliance, Regulatory and Statutory Reporting. His expertise also lies in Industry Analysis, Project Evaluation, REIT Modelling, Financial Restructuring, Insurance Sector and Corporate Affairs. He has worked with various national and international organizations including Securities and Exchange Commission of Pakistan, South Asian Federation of Exchanges, etc. He has been involved in certain IPO related advisory projects. On the voluntary engagement side, he has been associated with Women on Board (WOB) initiative and conducted advocacy corporate sessions on women empowerment. He holds MBA Finance degree from Bahira University, Islamabad.	
5	Ms. Aasiya Riaz Independent Director	Abdul Rehman Road House No. 33, Lahore Cantt, Lahore	Ms. Riaz has an over 15 years of experience of senior management in areas of governance and democracy, public policy, strategic communications and advocacy. Trained in the field of Media and Political Communication at the London School of Economics, UK, Ms. Riaz has an extensive experience of working with, appearing on, and contributing to mainstream news media globally and in Pakistan, as a political analyst. Ms. Riaz was a Reagan-Fascell Democracy Fellow at the National Endowment for Democracy, USA, as well as a distinguished fellow at the Center on Democracy, Development, and the Rule of Law at the Stanford University, USA. As a leader in the field of democratic governance, Ms. Riaz is regularly invited to speak at international conferences and forums and to also deliver lectures at Pakistan's premium public policy civil and military institutions.	<ul style="list-style-type: none"> ▪ Pakistan Institute of Legislative Development and Transparency (PILDAT), Pakistan ▪ British Alumni Association, UK ▪ Chevening Alumni Association, UK
6	Hussain Ahmed Ozgen Independent Director	House # 7 Street # 09 F7/3, Islamabad.	Mr. Hussain Ahmed Ozgen is the Independent Director of the Company. He has been running a family woolen Mills and working as a CEO, besides this he has also served as president The Rawalpindi Chamber of Commerce & Industry and also served as a nominee director in SME leasing Company Ltd., Pakistan Mercantile Exchange Limited, Islamabad Stock Exchange Ltd. Islamabad and a member governing body of Pakistan Employees Social Security Institution. He is Graduate and a Business Executive.	<ul style="list-style-type: none"> ▪ Rahat Woolen Mills (Pvt) Ltd ▪ Assetplex Limited
7	Aoun Muhammad Non-Executive Director	House No. 6, Street No. 40, G-10/4 Islamabad	Mr. Aoun Muhammad is an IT professional having more than 17 years of experience managing multiple IT Project and DevOps, which includes FinTech, IT and Telecom projects, having worked closely with the Government of Pakistan and leading International and Pakistani Telecom operators also handling projects with different Industries in regards to project delivery and deployment. Managing	<ul style="list-style-type: none"> ▪ Assetplex Limited

development, network, system and support teams. Innovative DevOps Engineer with in-depth understanding of software deployment and system design illustrated over years of experience in similar roles.

4. Financial Details of the Issuer

i. financial highlights of issuer for last three years

		June 30, 2020	June 30, 2021	June 30, 2022
Total Income	Rs. in million	25.98	47.89	89.44
Profit before interest and tax	Rs. in million	19.29	34.59	51.41
Profit after tax	Rs. in million	18.61	33.79	38.39
Net Profit/(Loss)	Rs. in million	18.61	33.79	38.39
Accumulated Profit/Loss	Rs. in million	64.51	85.40	333.32
Total Assets	Rs. in million	272.30	289.39	1,326.81
Total Liabilities	Rs. in million	23.55	19.75	199.26
Net Equity	Rs. in million	248.75	269.64	1,127.56
Break-up value per Certificate	Rs./ Certificate	13.50	14.64	14.20
Earnings / (Loss) per Certificate	Rs./ Certificate	1.01	1.92	0.72
Dividend Announced	Rs./ Certificate	0.16	0.70	0.37
Bonus Issue	%	0%	0%	0%
Statutory Auditors		A.F. Ferguson & Co. Chartered Accountants	A.F. Ferguson & Co. Chartered Accountants	KPMG Taseer Hadi & Co. Chartered Accountants

ii. financial highlights for preceding one year of consolidated financial statements

Not Applicable

iii. Detail of issue of capital in previous five years

		June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Right Issue	Rs. in million	-	-	-	-	610,000,000
Percentage	%	-	-	-	-	331%
No. of Certificates	Nos.	-	-	-	-	61,000,000
Amount Raised	Rs. in million	-	-	-	-	119,560,950
Unsubscribed Portion	Rs. in million	-	-	-	-	490,439,050
Unsubscribed Portion allotted by BoD	Rs. in million	-	-	-	-	490,439,050
Unsubscribed Portion taken up by Underwriter	Rs. in million	-	-	-	-	-
Proceeds Utilization	Rs. in million	-	-	-	-	610,000,000
No. of Certificates Outstanding	Nos.	18,423,945	18,423,945	18,423,945	18,423,945	79,423,945

- iv. Average market price of the share of the issuer during the last six months is Rs. 5.39 per Modaraba Certificate.
- v. Share Capital and Related Matters
- i. Pattern of shareholding of the issuer in both relative and absolute terms (as on June 30, 2022).

Modaraba Certificates held by	Type/Relation					% of holding
		Nos.*	Physical	CDC	Total	
Assetplex Limited	Modaraba Company	3	5,642,888	9,103,703	14,746,591	18.57%
Digital Custodian Company Limited	Associated Company	1	-	7,943,905	7,943,905	10.00%
Trusts including Retirement Funds		4	94	7,513,656	7,513,750	9.46%
Joint Stock Companies		21	113,779	4,031,898	4,145,677	5.22%
Financial Institutions		-	-	-	-	0.00%
Individuals		3,881	4,052,681	37,235,961	41,288,642	51.98%
Brokers and Investment Banks and other NBFCs		26	1,277	3,687,832	3,689,109	4.64%
Insurance Companies		2	-	16,026	16,026	0.02%
Directors, Spouse and dependent children		-	-	-	-	0.00%
Modarabas		7	245	80,000	80,245	0.10%
*based on no. of CDC accounts and Folios		3,945	9,810,964	69,612,981	79,423,945	100.00%

- ii. Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

	Before Right Issue	After Right Issue
Assetplex Limited - Modaraba Company	9,103,703	10,409,583
Directors		

- iii. Details and shareholding of holding company, if any. **NOT APPLICABLE**

5. Risk Factors

Risk as envisaged by the issue	Proposals, if any, to address the risk	Internal risk / External risk	Remarks
Investment Risk Diminution or loss of investment in the equity shares	Modaraba owns 26% shares of LSE Financial Services Limited (LSEFSL), which has a strong balance sheet besides having investments in CDC (10%), NCCPL (23.75%) and PACRA (36%). The sum of all of these investments	External	Modaraba has made investments in the equity shares of LSE Financial Services Limited and Ensmile Limited

means that the Modaraba's investment carries far more value than the original invested capital. Moreover, LSEFSL has filed the Scheme of Arrangement, Reconstruction and Amalgamation (including merger and demerger by virtue of which two companies LSE Ventures Limited and LSE PropTech Limited will be listed at PSX. Thus, giving and exit option to the shareholders.

Furthermore, the Modaraba has 33% equity in Ensmile Limited, which has 100% exposure export markets and attracts earnings in the precious foreign exchange.

The quality of these investments does not pose any downside risk to Modarba certificate holders.

Under Subscription Risk	The Right Issue would be completely underwritten as per requirements of the applicable regulations. Due to this factor, there appears to be somewhat minimal investment risk associated with the Right Issue.	External	The breakup value of Modaraba Certificate (MODAM) is well above its par value.
--------------------------------	---	----------	--

- i. All possible risk factors relating to business of the company, the project, technology, competition, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.

As already mentioned, Modaraba has made investment in equity shares of LSE Financial Services Limited and Ensmile Limited. Modaraba is not exposed/involved in the business that is exposed to above mentioned risks.

- ii. Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable: Approvals that are yet to be received by the issuer; Seasonality of the business;

As aforementioned, no such risk is involved

- iii. Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;

As aforementioned, no such risk is involved

- iv. Lack of experience of the Management to run the business;

No such risk is involved

- v. If the issuer has incurred losses in the last three financial years;

Not Applicable

- vi. Dependence of the issuer or any of its business segments upon a single customer or a few customers

Not Applicable - As already mentioned, Modaraba has made investment in equity shares of LSE Financial Services Limited and Ensmile Limited.

- vii. Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.

Not Applicable – except as mentioned in the Utilization of Proceeds Section

- viii. In case of outstanding debt instruments, any default in compliance with the material covenants;

Not Applicable

- ix. Default in repayment of loan by the issuer and associated group companies, if any.

Not Applicable

- x. Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.

Not Applicable

- xi. Excessive dependence on any key managerial personnel for the project for which the issue is being made.

Not Applicable

- xii. Any material investment in debt instruments by the issuer which are unsecured.

Not Applicable

- xiii. Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.

Nil

- xiv. Negative cash-flow from operating activities in the last three preceding financial years.

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
	Rs.	Rs.	Rs.
Net cash used in operating activities	8,402,227	(11,096,054)	(216,225,645)

The negative cash flow as on June 30, 2022 was due to advances paid for purchase of shares of LSE Financial Services Limited and due to short term investments. In Financial Year 2021, it was due to advances paid for IPO Investment.

- xv. Any restrictive covenant that could hamper the interest of the equity shareholders

Not Applicable

- xvi. Low credit rating of the Issuer.

Not Applicable

- xvii. Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.

As disclosed in this Schedule-I, most of the investment is made by Modaraba in equity shares of LSE Financial Services Limited and Ensmile Limited.

- xviii. Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.

As disclosed in the Utilization of the Proceeds, payments have to be paid to Assetplex Limited and Digital Custodian Company Limited.

Declaration:

To the best of our knowledge and belief all risk factors have been disclosed.

**SIDDIQUE-UR REHMAN KHURRAM
CHIEF EXECUTIVE OFFICER**

6. Legal proceedings

- i. Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer.

There were no contingencies as at June 30, 2022 (2021: Nil).

- ii. Action taken by the securities exchange against the issuer or associated listed companies of the issuer during the last three years due to noncompliance of the regulations.

There were no contingencies as at June 30, 2022 (2021: Nil).

- iii. Legal proceedings be summarized in the following format: **NIL**
-

Order dated	Issuing Authority	Tax Period, if any	Order Amount/ Financial Impact (PKRs. In Million)	Current status	Management's Stance

Signatories to the Offer document:

For and on behalf MODARAB AL-MALI

..... Sd-.....
SIDDIQUE-UR REHMAN KHURRAM
CHIEF EXECUTIVE OFFICER

..... Sd-.....
MUHAMMAD ADEEL REHMAN
CHIEF FINANCIAL OFFICER