



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 the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022.

#### Type of Security to be Issued

LSE Ventures Limited – Redeemable & Convertible Sukuk (“the Sukuk”) is being offered to the existing shareholders by way of Right under relevant rules and regulations.

Resolutions passed by the Shareholders in their extraordinary general meeting held on March 20, 2025 along with the terms and conditions of the Sukuk Issue are annexed with the Statement (as Schedule A). Please note that certain decisions that are taken by the Board of Directors (as authorized by the shareholders) in the resolutions passed through circulation on May 22, 2025 are incorporated in the Schedule-A

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

The quantum of the Right Issue is approximately **38.976%** of the existing paid up capital of the Company i.e. approximately **38.976** right Sukuk (of Rs. 30.00 each) for every **100** ordinary shares held by the shareholders of the Company.

#### Right Issue Size

The Company shall issue **70,000,000** Sukuk, at a price of PKRs. **30/-** per Sukuk, aggregating to PKRs. **2,100,000,000/-**

#### Right Issue Price

PKRs. **30/-** per Sukuk i.e. at par/nominal value

#### Purpose of the Issue

The purpose is to raise capital through issuance of convertible debt securities through right offer in order to further invest (through debt security/instrument) in the Jamshoro Joint Venture Limited (JJVL).

#### Utilization of Proceeds of the Right issue and Benefits to the Company and its Shareholders

1. Board of Directors (BoD) of Sui Southern Gas Company Limited (SSGC), in its meeting held on 06 March 2025, at the SSGC Head Office, accorded its approval to enter into an agreement with **Jamshoro Joint Venture Limited (JJVL)**. Once JJVL's LPG extraction plants comes on stream, it will start catering to the energy needs across Pakistan. The JJVL-LPG extraction plant has the capacity to produce 300-500 tons of LPG that account for 15 percent of total LPG supply in the country, and it is not operational since June 21, 2020.





Jamshoro Joint Venture Limited is Pakistan's largest private-sector gas processor. Incorporated and existing under the laws of Pakistan, JJVL is an unlisted public limited company with its headquarters in Lahore and its gas-processing facilities at Jamshoro, Sindh. Its state-of-the-art 200mmscfd LPG extraction plant was commissioned in March 2005 and its 125mmscfd plant in October 2014. Today, JJVL has a real total processing capacity of 345mmscfd, and represents the largest investment made so far in the country's LPG sector. Its replacement value is \$150 million. The gas-processing plants were engineered, procured, constructed, and commissioned by Houston-based Exterran (formerly The Hanover Company), which is listed on the New York Stock Exchange. Exterran also operates and maintains the plants.

2. Funds raised through Sukuk will be invested/forwarded in/to JJV at **1M Kibor + 700bps** for its revival and operations which include capital expenditures and working capital requirement. Rate of return to the Sukuk holders will be **6M Kibor + 400bps**. Difference (around 3% p.a.) will be the service fee for the Company (LSEVL). Details of Utilization of funds including benefits to the Sukuk-holders will be provided in Schedule-I (Minimum Content of Offer Letter) in accordance with the provisions of the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022.
3. Return on the Sukuk is linked with the KIBOR plus spread and this instrument is being offered to the existing shareholders who can benefit from Sharī'ah' compliant return (apart from return on ordinary shares) or alternatively they can sell their right offer letter in the market or alternatively can dispose of their Sukuk in the market.
4. Redemption Schedule – per Sukuk (unless converted on triggering events)

No. of Instalments*	Months	Principal b/f	Instalment	Principal c/f
0	0	30.00	-	30.00
1	6	30.00	-	30.00
2	12	30.00	-	30.00
3	18	30.00	5.00	25.00
4	24	25.00	5.00	20.00
5	30	20.00	5.00	15.00
6	36	15.00	5.00	10.00
7	42	10.00	5.00	5.00
8	48	5.00	5.00	-

\*One year grace period

5. Conversion Option is given to the Sukuk-holder any time after 12 months from the Issue Date to convert the outstanding face value of Sukuk (of any number of Sukuk they hold) into Ordinary share at Conversion Price. Fractional shares shall be ignored at the time of conversion.

#### Notice of Book Closure and Other Matters





1. Notice of Book Closure and entitlement date shall be announced separately once the following corporate formalities are fulfilled;
  - a. Within 10 days after the board resolution; **letter of offer** containing minimum information as specified in **Schedule-I** under the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022 shall be placed on SECP's website for 5 working days for public comments and comments of SECP.
  - b. Within 07 days after closure of comments period, revised letter of offer, addressing comments and incorporating book closure dates and relevant right issuance timelines will be placed on website of the PSX.
  
2. Right Schedule along with letter of offer shall be disseminated once the entitlement dates and book closures dates are determined. Right Issue Procedures related to shares of PSX shall be followed. Right issue will be made to the existing shareholders under the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022 through "letter of offer" which will be tradeable and transferable on PSX as per the trading schedule to be announced after the book closure announcement.
  
3. Terms and Conditions of the Issue is set out in **Schedule A** is integral part of the Issue.

**Schedule-A**

<b>1 - Name of Security</b>	<b>LSE Ventures Limited – Redeemable &amp; Convertible Sukuk (LSEVL SUKUK-I)</b>
<b>2 - Security Type and relevant Regularity Provisions</b>	<b>Redeemable &amp; Convertible Sukuk</b> <ol style="list-style-type: none"> <li>1. Section 66 of the Companies Act, 2017</li> <li>2. the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022</li> <li>3. the Structuring of Debt Securities Regulations, 2020</li> <li>4. Section 87(4)(d)(i) of the Securities Act, 2015</li> <li>5. Section 83(1)(b) of the Companies Act, 2017</li> <li>6. All other enabling provisions under the Securities Act, 2015, the Companies Act, 2017 and other laws, rules and regulations</li> </ol>
<b>3 - Participation in Surplus Assets in case of Liquidation</b>	No participation unless converted into ordinary shares on occurrence of triggering event. On conversion, new ordinary shares issued (on conversion as per conversion ratio) shall rank pari-passu to the existing ordinary shares.
<b>4 - Pricing and Coupon Type &amp; Frequency</b>	<b>Floating Rate of Base Rate plus 400 bps p.a. with floor of 12% p.a. but no cap</b> <b>Profit will be payable on six monthly basis in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.</b>
<b>5 - Tenor &amp; Redemption</b>	<b>Up to 04 years (48 months) including 01 year (12 months) of grace period.</b>





6 - Redemption Rate (Rs./Certificate)	Redeemable & Convertible Sukuk shall be redeemed in equal instalments after grace period i.e. Rs. 5.00 per Sukuk after every Six months.
7 - Conversion into Ordinary Shares of the Company	Conversion into Ordinary Shares of the Company on occurrence of triggering events. Conversion Price is <b>Rs. 30.00</b> per Share.
8 - Conversion Rate / Conversion Price	One Redeemable & Convertible Sukuk into <b>1.00</b> Ordinary Share multiplied by Adjusting Factor i.e. Conversion price shall be <b>Rs.30.00</b> per share.
9 - Call Option in Cash to the Company	Company can redeem the full outstanding amount after two Years, if decided by the Board of Directors of the Company.
10 - Put Option in Cash	Not Applicable. Only conversion Option or mandatory redemption (as the case may be) are available to the Sukuk-holders.
11 - Par/ Nominal Value	<b>Rs. 30.00 per certificate</b>
12 - Issue Price	<b>Rs. 30.00 per certificate</b>
13 - Issuance by way of	Right Issue to the Existing Shareholders. Letter of offer shall be tradeable in line with mechanics specified by the PSX.
14 - Adjusting Factor	Outstanding amount per Sukuk/Rs.30.00 i.e. Conversion Price shall remain <b>Rs. 30.00</b> per share.
15 - Instrument Rating	Instrument Rating (initial) : <b>AA-</b> (plim) Entity Rating (LSEVL) : Long term: <b>A+</b> Short term : <b>A1</b> <b>(Rating Action : Preliminary Outlook : Stable)</b> By VIS Credit Rating Company Limited
16 - Security / Charge	1 - Ranking charge on land, building, plant and machinery of PKR 2.10 billion plus a 25% margin. Ranking charge to be converted to pari-passu charge within 180 days of placement of funds with <b>JJVL</b> . 2 - Pledging of 12.90 million shares of <b>JJVL</b> (6.45 million of Class A shares and 6.45 million of Class B shares) by the sponsors of <b>JJVL</b> (for an amount equal to the amount of Financing with 30% haircut on the breakup value of <b>JJVL</b> shares). 3 - Receivable balance from <b>JJVL</b> (to <b>LSEVL</b> ) will be assigned by <b>LSEVL</b> to the Sukuk-holders. <b>JJVL</b> will make gross payment in the Escrow Account and Escrow Agent will deduct the applicable withholding taxes (on behalf of <b>JJVL</b> ) while making payment to the Sukuk-holders and difference shall be paid to <b>LSEVL</b> by the Escrow Agent. 4 - Creation of Escrow Arrangement by the Investment Agent: <b>JJVL</b> will transfer requisite gross amount from Collection Account to the Escrow Account. Escrow Agent shall make direct payment (principal + profit) to the Sukuk-holders after deducting applicable withholding taxes on behalf of <b>JJVL</b> .





	<p>5 - Collection Account of <b>JJVL</b> will be with a commercial bank jointly nominated by <b>JJVL</b> and <b>SSGC</b>. Under this collection account all sale proceeds of <b>JJVL</b>, either <b>LPG</b> or <b>NGL</b>, shall be collected and an Escrow Agent shall have the following irrevocable instructions which cannot be changed without the written consent of <b>LSEVL</b>:</p> <ol style="list-style-type: none"><li>66% (or any share agreed between <b>SSGC</b> and <b>JJVL</b>) of all funds collected will be released to <b>SSGC</b>;</li><li>Monthly amount calculated for repayment of Sukuk facility and rental to the account maintained by the Escrow Agent;</li><li>Balance amount will be released to <b>JJVL</b>, if required;</li></ol> <p>6 - Investment Agent can be Escrow Agent or Trustee (having license) can be appointed as Escrow Agent. <b>JJVL</b> will transfer gross amount to the Escrow Account. Escrow account maintained with the bank shall be profit bearing and profit (net of taxes) shall be transferred to <b>LSEVL</b> after six month (i.e. after payment of principal + profit (on Sukuk) to the Sukukholders);</p>
<b>17 - Voting Rights</b>	<b>Not Applicable</b>
<b>18 - Base Rate</b>	The Base Rate is defined as the average rate Ask Side of the 6-months Karachi Inter Bank Offer Rate ("KIBOR") as published on Reuters page "KIBR" or as published by the Financial Markets Association of Pakistan in case Reuters' page is unavailable on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the first Disbursement Date and then on the immediately preceding date before the start of each 6-monthly period for the profit due at the end of that period. The "KIBOR" rates used for reference will be taken from Reuters page "KIBR", as published at 11.30 a.m. Pakistan Standard Time by the Financial Markets Association (FMA).
<b>19 - Shari'ah Structure and Transferability</b>	<b>Diminishing Musharakah cum Ijarah.</b> Transfer of Sukuk certificates shall be in accordance with the Central Depositories Act, 1997 and other applicable CDC regulations. The Issue will be inducted into the Central Depository System ("CDS") of the Central Depository Company of Pakistan Limited ("CDC").
<b>20 - Right to Bonus to the Sukuk holders</b>	<b>Not Applicable</b> No Bonus entitlement (in the form of Sukuk or Shares) to the Redeemable & Convertible Sukuk holders.
<b>21 - Any Other Right(s)</b>	<ol style="list-style-type: none"><li>No right to the Right Issue (in the form of Shares or Sukuk)</li><li>No Right to Specie Dividend (in any form)</li><li>No Right to Dividend (declared and paid to the Ordinary Shareholders)</li></ol>
<b>22 - Listing</b>	To be listed on <b>PSX</b> under Chapter 5B: <b>LISTING OF DEBT SECURITIES REGULATIONS</b> of PSX Rule Book.





23 - Shari'ah Advisor	<b>Al-Hilal Shariah Advisors (Private) Limited</b>
24 - Issue Size	<b>Rs. 2,100,000,000</b>
25 - Issue Size	<b>70,000,000 (Nos. of Sukuk)</b>
26 - Ranking/Priority	Ranking charge will be upgraded within 180 days of the disbursement of funds to <b>JJVL</b> .
27 - Triggering Event	<p><b>Conversion Option</b> is given to the Sukuk-holder any time after 12 months the Issue Date to convert the outstanding face value of Sukuk (of any number of Sukuk they hold) into Ordinary share at Conversion Price. Fractional shares shall be ignored while conversion.</p> <p>However, Conversion Option shall cease to exist if either <b>LSEVL</b> or <b>JJVL</b> goes into liquidation (or receiver or administrator is appointed) and appropriate measures shall be taken (as described in the <b>Issuance Agreement</b> by the Investment Agent to crystallize the Security and distribution of proceeds will be made accordingly to the Sukuk-holders and <b>LSEVL</b> (for receivable generated due to conversion)</p>
28 - Investment Agent	<b>Digital Custodian Company Limited through LSE Capital Limited.</b>
29 - Meeting and Resolutions	<b>Redeemable &amp; Convertible Sukuk holders can convene their meeting(s) and pass the resolutions as the Sukukholders on matters related to the Sukuk as described in the Issuance Agreement.</b>
30 - Other Issuance	<b>Not Applicable</b>
31 - Utilization of Proceeds	The purpose is to raise capital through issuance of convertible debt securities through right offer in order to further invest (through Shari'ah compliant debt instrument) in the <b>Jamshoro Joint Venture Limited (JJVL)</b> for its revival and operations.
32 - Other Terms and Conditions	<ol style="list-style-type: none"><li><b>Mechanism of distribution of profit on debt and principal repayment to the Sukuk holders shall be as described in the Issuance Agreement as per the Structuring of Debt Securities Regulations, 2020.</b></li><li>Following sub-regulations under Regulation 5 (Conditions for issue of shares by way of other than right offer) of the Companies (Further Issue of Shares) Regulations, 2020 shall apply: Sub-Regulation (viii) - the sponsors and associated companies/undertakings shall retain their shareholding arising as a result of subject issuance for two years from the date of such issuance; Sub-Regulation (ix) - the persons other than sponsors and associated companies/undertakings, shall retain their</li></ol>





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shareholding arising as a result of subject issuance for a period of six months from the date of such issuance;

3. Shares (if Sukuk is converted) will be issued in book-entry form);

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**Extract of the Resolutions passed by the Board of Directors of the Company through Circulation**

**“RESOLVED THAT** the approval be and is hereby accorded to issue LSE Ventures Limited – Redeemable & Convertible Sukuk (the Sukuk) under the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022 to the existing shareholders by way of right with following terms and conditions:

Issue Size	Issue Size	Par Value	Issue Price	Instalments (One Year Grace Period)	Conversion ratio*	Shares on Conversion*	Right Issue	Conversion Price
Rs.	Nos.	Rs./Sukuk		Nos.		Nos.	%	Rs./Share
2,100,000,000	70,000,000	30.00	30.00	6.00	1.00	70,000,000	38.976%	30.00

\*Conversion into Ordinary Shares of the Company on occurrence of triggering events.

<b>Maximum Conversion into Ordinary Shares</b>	<b>Nos.</b>	<b>70,000,000</b>
Face/Nominal Value of Ordinary Share	Rs./Share	10.00
Share Premium on Conversion	Rs./Share	20.00
Conversion Price	Rs./Share	30.00

**FURTHER RESOLVED THAT** the approval be and is hereby accorded to approve **Annexure-A (including Schedule-1)** 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.

**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 (Minimum Contents of Letter of Offer), pursuant to the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022, as placed before the directors be and is hereby approved and Chief Executive and Company Secretary be and is 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.

**RESOLVED FURTHER THAT** the Sukuk shall be under the control of the Board of Directors who may allot, issue, forfeit, surrender, rectify or otherwise dispose of the same to such persons, firms, corporation or corporations on such terms and conditions and at any such time as may be thought fit, subject to and in accordance with the provisions of the Companies Act, 2017.





**FURTHER RESOLVED THAT** the Chief Executive and Company Secretary of the Company be and is hereby authorized to close its share transfer books **and** 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/ Shari'ah Advisors, Investment Agent and/or Trustee, auditors and underwriters to the Right Issue, to finalize terms and conditions and sign underwriting agreements, other documents and settle/ finalize fees, underwriting commission, take-up commission and third party expenses and/or any other expenses relating to the Right issue;
- ii. To prepare the schedule for the issue of right share (i.e. the Schedule I the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022) including date of payment, and to make any amendments in the said schedule, 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 accounts for the purpose of amounts received from subscription of Right Sukuk;
- 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 Sukuk 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."

