

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Systems Limited (the “**Company**”) that 44th Annual General Meeting of the Company is scheduled to be held on 31 March 2021 at 11:00 A.M. through video-link (provided below) to transact the business mentioned hereinafter.

Please note that due to the surge in Covid-19 cases and in order to control the spread of the virus, the Company shall hold its meeting only through video-link by registrations on the details provided at the end of this Notice.

Please note that registration for the meeting shall close at 10.50am on 31 March 2021 after which participants / shareholders shall be unable to register for the meeting. Any and all participants / shareholders who would have registered within the prescribed timeline shall receive a meeting link and shall be able to access the meeting therefore, the Company emphasizes on timely registrations in a manner provided below.

Ordinary Business:

1. To confirm the minutes of the last Extra Ordinary General Meeting held on 03 December 2020 (provided in the Annual Report and hereto as **Annexure - A**).
2. To, receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2020 together with the Board of Directors’ and Auditors’ report thereon.
3. To approve and declare cash dividend @ 35 % i.e. PKR 3.5/ per share, for the year ended 31 December 2020 and issuance of bonus shares at 10% i.e. 1 share for every 10 shares, as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending 31 December 2021. The Board of Directors upon recommendation of audit committee has recommended M/s EY Ford Rhodes, Chartered Accountants, being eligible for re-appointment as auditors of the company for the year ending 31 December 2021.

Lahore

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Software Technology Park
E-1, Sehjpal Near DHA Phase-VIII
(Ex-Air Avenue), Lahore Cantt, Pakistan.
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Special Business

5. To consider and, if thought fit, pass, with or without modification, the following special resolution in terms of Section 199 of Companies Act, 2017, for renewal of (a) investment in the form of loan to SUS Joint Venture (Private) Limited, a subsidiary company of the Company, of Rs. 50 million; (b) investment in the form of loan and guarantee in UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; and (c) investment in the form of loan in E-Processing Systems (Private) Limited, a subsidiary company of the Company, of Rs. 340 million;

“Resolved that the Company shall renew investment in the above mentioned companies in the given amounts on the terms and conditions to be contained in the agreement to be executed between the Company and the subsidiary in terms of Section 199 of Companies Act, 2017.

“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company (the “Authorized Officer”) and / or Ms. Roohi Khan, Chief Financial Officer, be and is hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the Investment and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution”.

6. To consider and, if thought fit, pass, with or without modification, the following special resolution in accordance with Section 83 (1)(b) of the Companies Act, 2017 for issuance of shares other than right to an individual as required by SECP, in line with the shareholders’ approval already obtained in the Annual General Meeting dated 26 April 2019 to issue shares other than rights to employees of Visionet Systems.

“Resolved that the issuance of 400,000 shares through other than rights issue for cash consideration to Mr. Jawad Khan at the price already approved by shareholders, as token of appreciation for his dedicated contributions towards North American and European offshore businesses, be and is hereby approved.”

“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company (the “Authorized Officer”) or such other person delegated by him and / or Ms. Roohi Khan, Chief Financial Officer, be and is hereby empowered and authorized to undertake, execute and

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implement all the decisions in respect of the said issuance and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution.”

7. To approve material changes to the Company’s Employee Stock Option Scheme, 2009, which *inter alia* include the following:
- a. To amend clause 3.2. to remove the names of the members and to include the phrase *“members of the Human Resource and Compensation Committee of the Company”*;
 - b. To delete the definition of “Lock-in Period” and insert a Special Lock-in Period for the CEO/ Senior Executives of the Company for sale of shares.
 - c. To insert definition of “vesting period” which shall mean a period of two (2) years from the Date of Grant
 - d. To amend and approve minor linguistic changes in clauses 3.7, 6.1, 7.1 and 12.2.
 - e. To amend clause 11.7 to state: *“In case of a rights or bonus issue by the Company, the Compensation Committee shall make fair/reasonable adjustments to the number of Options granted or to the Exercise Price in respect thereof for unvested Options.”*

“Resolved that the changes to the Company’s Employee Stock Option Scheme be and is hereby approved.”

“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company (the “Authorized Officer”) or such other person delegated by him and / or Ms. Roohi Khan, Chief Financial Officer, be and is hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the said issuance and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution.”

Other Business:

8. Any other Business with the permission of the Chair.

By Order of the Board

Saad Hasan Aslam
Company Secretary

10 March, 2021
Lahore

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NOTES:

1. The Share Transfer books of the Company will be closed from 25 March 2021 to 31 March 2021 (both days inclusive). Transfer received at the address of M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2,D.H.A., Phase VII, Karachi-75500. Pakistan at the close of business on 24 March 2021 will be treated in time for the purpose of above entitlement to the transferees.
2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote in his/her place. Proxies completed in all respect, in order to be effective, must be received at the Registered Office of the Company not less than forty eight (48) hours before the time of meeting.
3. Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of shareholders are mandatorily required to be mentioned on Dividend Warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company Share Registrar, M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2,D.H.A., Phase VII, Karachi-75500. Pakistan.
4. The Government of Pakistan through Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding Tax on the amount of dividend paid by the companies/banks. These tax rates are as follows:
 - (a) For filers of income tax returns 15%
 - (b) For non-filers of income tax returns 30%

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30% all shareholders whose names are not entered into the Active Tax- payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @30% instead of 15%.

The joint shareholders are requested to provide shareholding proportions of principal shareholders & joint shareholders as withholding tax will be determined separately on Filer/Non-filer status based on their shareholding proportions otherwise it will be assumed that shares are equally held.

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The Corporate shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN Certificate to the Company or Company's Share Registrar, M/s. THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN Certificate, as the case may be, must quote Company name and their respective folio numbers.

5. SECP through its notification SRO 787(1) /2014 dated September 8, 2014 has allowed the circulations of Audited Financial Statement along with Notice of Annual General Meeting to the Members through e-mail. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission could be downloaded from the Company Website: www.systemsltd.com. Audited financial statements & reports are being placed on the aforesaid website.
6. All the account holders whose registration details are uploaded as per CDC Regulations shall authenticate their identity by showing original CNIC at the time of attending the meeting. In case of corporate entity, a certified copy of resolution of the Board of Directors / valid Power of Attorney having the name and specimen signature of the nominee should be produced at the time of meeting.
7. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.
8. In order to facilitate voting and passing of resolution during the online webinar (accessible through the link provided below), the participants shall be given the option to "raise hand" in the webinar – which shall be considered the participant's approval of the resolution. Once the resolution is passed, participants shall be required to "lower hand" in order for the next resolution to be processed. The same process shall be repeated for each resolution.

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Statement under Section 134 (3) of the Companies Act, 2017

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 31 March 2021.

Agenda Item No. 5

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertakings) Regulations, 2017, for renewal of investment in:

SUS Joint Venture (Pvt.) Limited:

Ref. No.	Requirement	Relevant Information	
(a) Disclosures for all types of investments:-			
(A) Regarding associated company or associated undertaking:-			
i	name of the associated company	SUS Joint Venture (Private) Limited	
ii	basis of relationship	94.99 % shareholding / Common directorship	
iii	earnings per share for the last three years	N/A	
iv	break-up value per share, based on latest audited financial statements;	Rs.50.58	
V	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Statement of Financial Position – 31 December 2020	
		Non-current assets	-
		Current assets	28,649,008
		Shareholders' equity	505,763
		Non-current liabilities	-
		Current liabilities	28,143,245
		Profit & Loss A/C – 31 December 2020	
		Revenue	30,849,865
		Cost of revenue	41,378,175
		Gross profit	(10,528,310)
		Loss for the year	(17,982,598)

Ref. No.	Requirement	Relevant Information
vi	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-	N/A
	(I) description of the project and its history since conceptualization;	
	(II) starting date and expected date of completion of work;	
	(III) time by which such project shall become commercially operational;	
	(IV) expected time by which the project shall start paying return on investment; and	
(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;		
(B) General Disclosures		
(i)	maximum amount of investment to be made;	Investment in the form of loan of Rs. 50 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To meet working capital requirements of SUS Joint Venture (Private) Limited.</p> <p>Benefit: The completion of project will results in distribution of profits by SUS Joint Venture (Pvt.) Limited to Systems Limited.</p> <p>Period of Investment: The period of investment shall be one (1) year.</p>
(iii)	sources of funds to be utilized for investment and where the investment is	Loan shall be granted by Systems Limited.

Ref. No.	Requirement	Relevant Information
	intended to be made using borrowed funds,-	
	(I) justification for investment through borrowings;	SUS Joint Venture (Private) Limited is only a special purpose vehicle for executing LRMIS project awarded to SUS Joint Venture (Private) Limited
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	N/A
	(III) cost benefit analysis;	N/A
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None. Agreement shall be executed in line with section 199 of Companies Act, 2017 and resolution of shareholders to be passed in annual general meeting.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Asif Peer, CEO of Systems Limited is also member and director in SUS Joint Venture (Pvt.) Limited.
(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; and	There is no impairment or write-off.
(vii)	any other important details necessary for the members to understand the transaction;	N/A
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	ERF loan: Average borrowing cost of investing company is SBP rate plus 0.78%.

Ref. No.	Requirement	Relevant Information
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	Higher of KIBOR or borrowing cost of investing company in line with section 199 of Companies Act 2017.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	N/A
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

UUS Joint Venture (Private) Limited:

Ref. No.	Requirement	Relevant Information								
(b) Disclosures for all types of investments:-										
(B) Regarding associated company or associated undertaking:-										
i	name of the associated company	UUS Joint Venture (Private) Limited								
ii	basis of relationship	49.99 % shareholding / Common directorship								
iii	earnings per share for the last three years	N/A								
iv	break-up value per share, based on latest audited financial statements;	Rs. (39,768)								
V	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	<table border="1"> <tr> <td colspan="2">Statement of Financial Position – 31 December 2020</td> </tr> <tr> <td>Non-current assets</td> <td>-</td> </tr> <tr> <td>Current assets</td> <td>484,301,365</td> </tr> <tr> <td>Shareholders' equity</td> <td>(397,676,358)</td> </tr> </table>	Statement of Financial Position – 31 December 2020		Non-current assets	-	Current assets	484,301,365	Shareholders' equity	(397,676,358)
Statement of Financial Position – 31 December 2020										
Non-current assets	-									
Current assets	484,301,365									
Shareholders' equity	(397,676,358)									

Ref. No.	Requirement	Relevant Information														
		<table border="1"> <tr> <td>Non-current liabilities</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">881,977,723</td> </tr> <tr> <td colspan="2">Profit & Loss A/C – 31 December 2020</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">60,204,224</td> </tr> <tr> <td>Cost of revenue</td> <td style="text-align: right;">121,365,486</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">(61,161,262)</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">(117,471,469)</td> </tr> </table>	Non-current liabilities	-	Current liabilities	881,977,723	Profit & Loss A/C – 31 December 2020		Revenue	60,204,224	Cost of revenue	121,365,486	Gross profit	(61,161,262)	Loss for the year	(117,471,469)
Non-current liabilities	-															
Current liabilities	881,977,723															
Profit & Loss A/C – 31 December 2020																
Revenue	60,204,224															
Cost of revenue	121,365,486															
Gross profit	(61,161,262)															
Loss for the year	(117,471,469)															
vi	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-	N/A														
	(I) description of the project and its history since conceptualization;															
	(II) starting date and expected date of completion of work;															
	(III) time by which such project shall become commercially operational;															
	(IV) expected time by which the project shall start paying return on investment; and															
	(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;															
(B) General Disclosures																
(i)	maximum amount of investment to be made;	Rs. 200 million														
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Purpose: To meet working capital requirements of UUS Joint Venture (Private) Limited and to give guarantee to Pakistan Civil Aviation Authority.														

Ref. No.	Requirement	Relevant Information
		Benefit: The completion of project will results in distribution of profits by UUS Joint Venture (Pvt.) Limited to Systems Limited. Period of Investment: The period of investment shall be one (1) year.
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Loan shall be from own funds while guarantee shall be issued by the banker of Systems Limited.
	(I) justification for investment through borrowings;	UUS Joint Venture (Private) Limited is only a special purpose vehicle for executing Pakistan Civil Aviation Authority (PCAA) project awarded to consortium of Systems Limited and Beijing UniStrong Science & Technology Co. It is Systems Limited liability to issue guarantee to (PCAA).
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	Building
	(III) cost benefit analysis;	N/A
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	None. Agreement shall be executed in line with section 199 of Companies Act, 2017 and resolution of shareholders to be passed in annual general meeting.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Asif Peer, CEO of Systems Limited is also member and director in UUS Joint Venture (Pvt.) Limited.
(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; and	There is no impairment or write-off.

Ref. No.	Requirement	Relevant Information
(vii)	any other important details necessary for the members to understand the transaction;	N/A
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	ERF loan: Average borrowing cost of investing company is SBP rate plus 0.78%.
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	Higher of KIBOR or borrowing cost of investing company in line with section 199 of companies act 2017.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	Unsecured
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

E-Processing Systems (Pvt.) Limited:

Ref. No.	Requirement	Relevant Information
(a) Disclosures for all types of investments:-		

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Ref. No.	Requirement	Relevant Information			
(A) Regarding associated company or associated undertaking:-					
I	name of the associated company	E-Processing Systems (Private) Limited			
Ii	basis of relationship	44.60% shareholding/Subsidiary/ Common directorship			
Iii	earnings per share for the last three years	31 Dec 2020 (Rs.)	31 Dec 2019 (Rs.)	31 Dec 2018 (Rs.)	31 Dec 2017 (Rs.)
		(170.14)	(88.38)	(106.46)	(96.46)
Iv	break-up value per share, based on latest audited financial statements;	Rs. 1203.68			
V	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Statement of Financial Position – 31 December 2020			
		Non-current assets	189,400,450		
		Current assets	633,464,501		
		Shareholders' equity	484,426,080		
		Non-current liabilities	-		
		Current liabilities	338,438,871		
		Profit & Loss A/C – 31 December 2020			
		Revenue	357,570,526		
		Cost of revenue	217,643,145		
		Gross profit	(139,927,381)		
Loss for the year	(85,070,123)				
Vi	in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-	N/A			
	(I) description of the project and its history since conceptualization;				
	(II) starting date and expected date of completion of work;				
	(III) time by which such project shall become commercially operational;				

Ref. No.	Requirement	Relevant Information
	(I V) expected time by which the project shall start paying return on investment; and	
	(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	
(B) General Disclosures		
(i)	maximum amount of investment to be made;	Rs. 340 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To meet increased working capital requirement of E-Processing Systems (Private) Limited arising due to expansion of operations and expected launch of new feature its product OneLoad.</p> <p>Benefit: The investment would support E-Processing Systems (Private) Limited in smoothly meeting growing working capital requirements due to expansion of operations and launching of new features in its product OneLoad. Expansion in operations and new features would generate profit for shareholders including investing company.</p> <p>Period of Investment: The period of investment shall be one (1) year and convertible into equity at the discretion of the investor.</p>
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	Own Funds
	(I) justification for investment through borrowings;	N/A

Ref. No.	Requirement	Relevant Information
	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Agreement is executed in line with section 199 of Companies Act, 2017.
(v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Aezaz Hussain, Chairman and Mr. Asif Peer, CEO of Systems Limited are also directors of E-Processing (Private) Limited. Mr. Aezaz Hussain, Chairman, Mr. Arshad Masood, Director and Mr. Asif Peer, CEO of Systems Limited are also member in E-Processing Systems (Private) Limited either directly or through direct relatives.
(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; and	With this investment, E-Processing Systems (Private) Limited was able to develop its product OneLoad, launch its commercial operations in 2016 and met its working capital requirements. Since launch of commercial operation, E-Processing Systems (Private) Limited is able to multiply its revenues, number of transactions and number of retailers each month. Currently, OneLoad product is executing 3.6 million transactions per month while number of retailers using OneLoad product are around 10,000. There is no impairment or write-off.
(vii)	any other important details necessary for the members to understand the transaction;	N/A
In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
(i)	category-wise amount of investment;	N/A – Single category

Ref. No.	Requirement	Relevant Information
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	ERF loan: Average borrowing cost of investing company is SBP rate plus 0.78%.
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	KIBOR or borrowing cost of company whichever is higher
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment;	Unsecured
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
(vi)	repayment schedule and terms and conditions of loan or advances to be given to the associated company or associated undertaking.	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

Agenda Item No. 6

The Board of the Company hereby proposes to issue 400,000 shares of Systems Limited to Mr. Jawad Khan in line with approval of shareholders already obtained on 26th April 2019 to issue shares to employees of Visionet Systems, as per the details provided hereunder:

Name and Profile of the Allottee: Mr. Jawad Khan

Share Value: Rs. 75.34/-

Lahore

Systems Campus
Software Technology Park
E-1, Sehjpal Near DHA Phase-VIII
(Ex-Air Avenue), Lahore Cantt, Pakistan.
UAN: 042 111 SYSTEMS (797 836)

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Office 1905, Regal Tower
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www.systemsltd.com

Purpose of Issuance: The Company wishes to issue 400,000 (four hundred thousand) shares against **cash consideration** to Mr. Jawad Khan as a token of appreciation for his dedicated contribution, in accordance with section 83(1)(b) of the Companies Act, 2017 (the “**2017 Act**”) read along with the applicable Companies (Further Issue of Shares) Regulations, 2020 (the “**2018 Regulations**”) thereof.

Justification: As per the new Companies (Further Issue of Shares) Regulations, 2020, employee stock options can only be issued to the employees of the Company and / or its subsidiary. Therefore, the Company already obtained approval of shareholders in the Annual General Meeting held on 26th April 2019 to issue 400,000 shares to employees of Visionet Systems/Visionet Deutschland. As per the requirement of SECP, the company is seeking specific approval to issue these shares to Mr. Jawad Khan for his dedicated performance.

Details of the average market price of the Company shares during last three months: Rs. 437.84/-

Details of the average market price of the Company during six months: Rs. 396.58/-

Latest Available Market Price: Rs. 480.99/-

Shareholding after proposed issue: 400,000 shares i.e. 0.32% of the paid up capital of the Company

The shares so offered shall rank *parri passu* in all respects with the existing shareholding of the Company. The said issuance shall be subject to the approval of the Commission.

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Video-link Details

Please note that registration for the meeting shall close at 10.50am on 31 March 2021 after which participants / shareholders shall be unable to register for the meeting. Any and all participants / shareholders who would have registered within the prescribed timeline shall receive the link to join the meeting and shall be able to access the meeting through the link, therefore, the Company emphasizes on timely registrations following the link below:

https://systemsltd.zoom.us/webinar/register/WN_TRj5N52SwOlcBnF1sdspg

In case of any queries, please feel free to email at: corporate@systemsltd.com

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Annexure – A

**MINUTES OF THE
EXTRAORDINARY GENERAL MEETING
OF
SYSTEMS LIMITED**

HELD THROUGH VIDEO LINK ON DECEMBER 3, 2020 AT 02:00 P.M.

Present:

- Mr. Aezaz Hussain
- Muhammad Asif Peer
- Ms. Roohi Khan

Chief Financial Officer

Attendance:

- 76 Shareholders representing a total of 58.78% shareholding were present in the meeting in person and through proxy.

Minute No.	Subject Description
1	<p>To confirm the minutes of last Annual General Meeting held on 29 May 2020</p> <p>The members confirmed the minutes of last Annual General Meeting held on 29 May 2020 and be taken as approved.</p> <p>Accordingly the following resolution was passed:</p> <p>RESOLVED that the minutes of last Annual General Meeting held on 29 May, 2020 be and hereby approved.</p>
2	<p>To elect seven (7) Directors as fixed by the Board of Directors in accordance with the provisions of section 159 of the Companies Act, 2017 for the period of three (3) years.</p> <p>Chairman informed the members that the number of Directors as fixed by the Board of Directors in accordance with section 159 of the Companies Act, 2017 are seven (7).</p>

Minute No.	Subject Description
	<p>Chairman further informed that the company invited nominations for election of Directors from the members of the Company and received following eight (8) nominations against seven positions of the directorship:</p> <ol style="list-style-type: none"> 1. Mr. Aezaz Hussain 2. Mr. Arshad Masood 3. Mr. Muhammad Asif Peer 4. Mr. Asif Jooma 5. Mr. Omar Saeed 6. Mr. Shabbar Zaidi 7. Ms. Romana Abdullah 8. Mr. Zubair Anjum <p>Based on the votes received from the shareholders of the meeting, seven (7) directors were elected on the Board of the Company.</p> <p>Resolved that the following seven (7) Directors who have offered themselves and consented to act as Directors shall be elected Directors of the Company for the period of next three year commencing from December 3, 2020.</p> <ol style="list-style-type: none"> 1. Mr. Aezaz Hussain 2. Mr. Arshad Masood 3. Mr. Muhammad Asif Peer 4. Mr. Asif Jooma 5. Mr. Omar Saeed 6. Mr. Shabbar Zaidi 7. Ms. Romana Abdullah
4	<p>As there was no further business to be transacted, the Chair thanked all the members for attending and declared that meeting is closed.</p>

DECEMBER 3, 2020

CHAIRMAN OF THE MEETING

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