

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Systems Limited (the “**Company**”) that 45th Annual General Meeting of the Company is scheduled to be held on the 11th of April, 2022 at 11 am, in-person and through video-link to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Extraordinary General Meeting held on 23rd December 2021.
2. To, receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2021 together with the Board of Directors’ and Auditors’ report thereon.
3. To approve and declare cash dividend @ 50 % i.e. PKR 5/ per share, for the year ended 31 December 2021.
4. To approve and declare Bonus Shares in the proportion of 1 share(s) for every 1 share(s) held i.e. 100%, for the year ended 31 December 2021.
5. To appoint Auditors and fix their remuneration for the year ending 31 December 2022. The Board of Directors upon recommendation of Audit Committee has recommended M/S A.F. Ferguson & Co., being eligible for appointment as auditors of the Company for the year ending 31 December 2022.

Special Business

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

“Resolved that Systems Limited (the “**Company**”) shall renew the loan extended to its subsidiary and associated companies, (a) SUS Joint Venture (Private) Limited in the form of loan Rs. 50 million; (b) UUS Joint Venture (Private) Limited, an associated company of the Company, of Rs. 200 million; (c) E-Processing Systems (Private) Limited, an associate of the Company, of Rs. 340 million, on the terms and conditions to be contained in the agreement to be executed between the Company and Associated Company in terms of Section 199 of Companies Act, 2017.

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“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company and Ms. Roohi Khan, the Chief Financial Officer of the Company (the “Authorized Officers”), be and are hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the transaction 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 consider and, if thought fit, pass, with or without modification, the following special resolution in terms of Section 199 of Companies Act, 2017, for the ratification of change of status and subsequent conversion of receivables balance into equity amounting to Rs 144 million and to further approve an equity investment of (\$ 1,000,000) One Million Dollars in its subsidiary, namely, TechVista Information Technology WLL, Qatar.

“Resolved that Systems Limited (the “Company”) shall ratify the change of status and subsequent conversion of trade receivable balance into equity investment of Rs 144 million and further equity investment of (\$ 1,000,000) One Million Dollars in its subsidiary, TechVista Information Technology WLL, Qatar, in terms of Section 199 of Companies Act, 2017.

“Resolved further that Mr. Muhammad Asif Peer, the Chief Executive of the Company, Ms. Roohi Khan, the Chief Financial Officer (the “Authorized 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”.

8. To consider and, if thought fit, pass, with or without modification, the following special resolution, for the shareholders ratification of the incorporated holding company in Netherlands for its associate, E-Processing Systems (Private) Limited, through a special share swap of equal value by-way-of SBP FE Circular No. 1 dated February 10, 2021.

“Resolved that Systems Limited (the “Company”) incorporation of the holding company in Netherlands for its associate, E-Processing Systems (Private) Limited through a special share

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swap of equal value, by-way-of SBP FE Circular No.1 dated February, 2021 is ratified by the shareholders."

"Resolved further that Mr. Muhammad Asif Peer, the Chief Executive, Ms. Roohi Khan, the Chief Financial Officer of the Company (the "Authorized 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".

Other Business:

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

By Order of the Board



Saad Hasan Aslam
Company Secretary



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NOTES:

1. The Share Transfer books of the Company will be closed from 04 April 2022 to 11 April 2022 (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 01 April 2022 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 made certain amendments in 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.

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

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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.

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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 11 April 2022.

Agenda Item No.6 (a)

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S SUS Joint Venture (Pvt.) Limited is as follows:

Ref. No.	Requirement	Relevant Information																						
• <u>Disclosures for all types of investments:-</u> (A) Regarding associated company or associated undertaking:-																								
i	name of the associated company	SUS Joint Venture (Private) Limited																						
ii	basis of relationship	95 % 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;	N/A																						
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><tr><td colspan="2">Statement of Financial Position – 31 December 2021</td></tr><tr><td>Non-current assets</td><td>-</td></tr><tr><td>Current assets</td><td>31,452,279</td></tr><tr><td>Shareholders' equity</td><td>23,730,191</td></tr><tr><td>Non-current liabilities</td><td>-</td></tr><tr><td>Current liabilities</td><td>7,722,088</td></tr><tr><td colspan="2">Profit & Loss A/C – 31 December 2021</td></tr><tr><td>Revenue</td><td>63,021,229</td></tr><tr><td>Cost of revenue</td><td>37,762,989</td></tr><tr><td>Gross profit</td><td>25,258,240</td></tr><tr><td>Profit for the year</td><td>23,224,428</td></tr></table>	Statement of Financial Position – 31 December 2021		Non-current assets	-	Current assets	31,452,279	Shareholders' equity	23,730,191	Non-current liabilities	-	Current liabilities	7,722,088	Profit & Loss A/C – 31 December 2021		Revenue	63,021,229	Cost of revenue	37,762,989	Gross profit	25,258,240	Profit for the year	23,224,428
Statement of Financial Position – 31 December 2021																								
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Revenue	63,021,229																							
Cost of revenue	37,762,989																							
Gross profit	25,258,240																							
Profit for the year	23,224,428																							
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																						

Ref. No.	Requirement	Relevant Information
	(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;	Purpose: To meet working capital requirements of SUS Joint Venture (Private) Limited. Benefit: The completion of project will results in distribution of profits by SUS 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 granted by Systems Limited.
	(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	None. Agreement shall be executed in line with section 199 of Companies Act, 2017 and resolution

Ref. No.	Requirement	Relevant Information
	undertaking with regards to the proposed investment;	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	Average borrowing cost of investing company is SBP rate plus 0.5%.
(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	Principal: One (1) year from disbursement. Mark-up: Quarterly basis.

Ref. No.	Requirement	Relevant Information
	to the associated company or associated undertaking;	

Agenda Item No.6 (b)

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S UUS Joint Venture (Pvt.) Limited is as follows:

Ref. No.	Requirement	Relevant Information																						
<u>Disclosures for all types of investments:-</u>																								
(A) 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;	N/A																						
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><tr><td colspan="2">Statement of Financial Position – 31 December 2021</td></tr><tr><td>Non-current assets</td><td>-</td></tr><tr><td>Current assets</td><td>579,757,691</td></tr><tr><td>Shareholders’ equity</td><td>-474,279,979</td></tr><tr><td>Non-current liabilities</td><td>-</td></tr><tr><td>Current liabilities</td><td>1,054,037,319</td></tr><tr><td colspan="2">Profit & Loss A/C – 31 December 2021</td></tr><tr><td>Revenue</td><td>11,889,214</td></tr><tr><td>Cost of revenue</td><td>87,244,126</td></tr><tr><td>Gross profit</td><td>-75,354,912</td></tr><tr><td>Loss for the year</td><td>-76,603,621</td></tr></table>	Statement of Financial Position – 31 December 2021		Non-current assets	-	Current assets	579,757,691	Shareholders’ equity	-474,279,979	Non-current liabilities	-	Current liabilities	1,054,037,319	Profit & Loss A/C – 31 December 2021		Revenue	11,889,214	Cost of revenue	87,244,126	Gross profit	-75,354,912	Loss for the year	-76,603,621
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Revenue	11,889,214																							
Cost of revenue	87,244,126																							
Gross profit	-75,354,912																							
Loss for the year	-76,603,621																							
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																						

Ref. No.	Requirement	Relevant Information
	(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. 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).

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Ref. No.	Requirement	Relevant Information
	(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	Under the terms of the Project Agreement executed between UUS-JV and Civil Aviation Authority ("CAA"), UUS-JV was entitled to 5 (five) payments in total for the provision of services against the decided milestones. Till date, UUS-JV has only received 3 (three) payments and is yet awaiting the remaining 2 (two) payments from the CAA against outstanding milestones. After the completion of the said milestones, CAA shall release the performance guarantees provided for the Project. In order to meet the working capital requirements for the remaining milestones / stages of the Project, the Company wishes to increase the loan guarantee limit from Rs. 400,000,000/- (Pakistani Rupees Four Hundred Million only) to Rs. 600,000,000/- (Pakistani Rupees Six Hundred Million only) till such time that the milestones are completed by UUS-JV and the afore-mentioned performance guarantees are released by CAA. 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

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 0.5%.
(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.

Agenda Item No.6 (c)

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertaking) Regulations, 2017, for investment in associated company M/S E- Processing Systems (Private) Limited is as follows:

Ref. No.	Requirement	Relevant Information
<u>Disclosures for all types of investments:-</u>		
(A) Regarding associated company or associated undertaking:-		
i	name of the associated company	E-Processing Systems (Private) Limited

Ref. No.	Requirement	Relevant Information		
ii	basis of relationship	39.06% shareholding through EPS-BV/Associate Company/ Common directorship		
iii	earnings per share for the last three years	31 Dec 2021 (Rs.)	31 Dec 2020 (Rs.)	31 Dec 2019 (Rs.)
		(504.65)	(223.63)	(152.10)
iv	break-up value per share, based on latest audited financial statements;	Rs. 699.04		
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 2021		
		Non-current assets		274,965,094
		Current assets		784,466,432
		Shareholders’ equity		281,329,759
		Non-current liabilities		-
		Current liabilities		778,101,767
		Profit & Loss A/C – 31 December 2021		
		Revenue		405,271,026
		Cost of revenue		(222,314,612)
		Gross profit		182,956,414
		Loss for the year		(203,096,321)
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		

Ref. No.	Requirement		Relevant Information
	(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. 340 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;		Purpose: To meet increased working capital requirement of E-Processing Systems (Private) Limited arising due to expansion of operations, expected launch of new feature its product OneLoad and a new EMI product. Benefit: The investment would support E-Processing Systems (Private) Limited in smoothly meeting growing working capital requirements due to expansion of operations, launching of new features in its product OneLoad and a new EMI product. Expansion in operations and new features

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Ref. No.	Requirement	Relevant Information
		would generate profit for shareholders including investing company. Period of Investment: The period of investment shall be one (1) year with 1 year roll over. convertible into equity at the discretion of the investor.
(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
	(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.

Ref. No.	Requirement	Relevant Information
(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 7 million transactions per month while number of retailers using OneLoad product are around 50,000. The company is preparing for pilot operations of EMI. 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
(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	Average borrowing cost of investing company is SBP plus 0.5% for ERF Loan Facility
(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

Ref. No.	Requirement	Relevant Information
(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 with rollover option of 1 year. Mark-up: Quarterly basis.

Agenda Item No. 7

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertakings) Regulations, 2017, for investment in subsidiary company M/s TechVista Information Technology WLL is as follows:

Ref. No.	Requirement	Relevant Information
Disclosures for all types of investments:-		
(A) Regarding associated company or associated undertaking:-		
i	name of the associated company	TechVista Information Technology WLL
ii	basis of relationship	34 % shareholding / Management Control
iii	earnings per share for the last three years	N/A
iv	break-up value per share, based on latest audited financial statements;	N/A
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	N/A

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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 conversion of receivables balance into equity of Rs. 144 million and additional investment to be remitted amounting to USD 1 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 TechVista Information Technology WLL. Benefit: To enhance market share of IT services in the Qatari market.
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-		Equity investment by Systems Limited.
	(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	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;	N/A
(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;	N/A
(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	N/A
(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	N/A
(iii)	rate of interest, mark-up, profit, fees or commission etc to be charged by investing company	N/A
(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	N/A

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Ref. No.	Requirement	Relevant Information
	conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	N/A

Agenda Item No.8

The Board of the Company recommends the shareholders to ratify the incorporation of a holding company through its associate, E-Processing Systems (Private) Limited in Netherlands as per the details provided hereunder:

Purpose:

In order to facilitate the resident companies (Start-ups and FinTech's), having innovative and/or scalable businesses with a potential for high growth, to raise capital from abroad, State Bank of Pakistan under FE Manual Chapter 20 Rule 13 (b) allows a company to set up a holding company abroad, whereby shareholding of the local company is mirrored in the foreign holding company at equal value.

Justification:

The Company took advantage of the FE Manual Chapter 20 Rule 13 (b) to attract foreign investors, primarily the Gates Foundation and other prospective institutional investors and venture capitalists. Subsequent to the incorporation of the foreign holding company, the Gates Foundation has invested in the foreign holding company.

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:

1. Mr. Aezaz Hussain, Chairman and Mr. Asif Peer, CEO of Systems Limited are also directors of E-Processing (Private) Limited.
2. 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.

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