

Notice of Extra Ordinary General Meeting

Notice is hereby given to all the members of **Systems Limited** (the “**Company**”) that **Extra Ordinary General Meeting** of the Company is scheduled to be held on **December 28, 2016, Wednesday** at 12:30 p.m. at Lahore Chamber of Commerce Building, Aiwan-e-Tijarat, Lahore to transact the following business:

Special Business:

To approve the increase in running credit line of PKR 60 Million to PKR 120 million to the Company’s subsidiary E-Processing Systems (Private) Limited for meeting its working capital requirements at an annual markup rate of 7%.

“Resolved that approval of the members of Systems Limited (the “Company”) be and is hereby approved the increase in running credit line of PKR 60 Million to PKR 120 million to the Company’s subsidiary E-Processing Systems (Private) Limited for meeting its working capital requirements at an annual markup rate of 7%.

Further resolved that Mr. Muhammad Asif Peer, Chief Executive of the Company (“Authorized Officers”) be and are hereby singly empowered and authorized to undertake the decisions of investment and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, 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 complete all necessary legal formalities and file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution.”

Other Business:

Any other business with the permission of the Chair.

BY ORDER OF THE BOARD

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(Muhammad Asif Peer)
Chief Executive

NOTES:

1. The Share Transfer Books of the Company will remain closed from December 21, 2016 to December 28, 2016 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. THK Associates (Private) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi by the close of business on December 20, 2016 will be considered in time for the purpose of attending and vote in the Extraordinary General Meeting.
2. A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company.
3. Shareholders, who have deposited their shares into Central Depository Company of Pakistan, must bring their participant’s ID numbers and account/sub account numbers along with original Computerized National Identity Cards or original Passports at the time of attending the meeting in order to facilitate identification of respective shareholders.
4. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the nominee shall be produced at the time of meeting.
5. Members are advised to immediately notify the change in their addresses, if any to our Shares Registrar.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984, (REPEALED ORDINANCE) AND SECTION 134(3) OF THE COMPANIES ORDINANCE, 2016 CONCERNING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on December 28, 2016.

- a) To approve increase in running credit line of PKR 60 million to PKR 120 million to the Company's subsidiary E-Processing Systems (Pvt.) Limited for its working capital requirements at an annual markup rate of 7%.
- b) The information required to be disclosed to the members under S.R.O No. 27 (I)/2012 dated January 16, 2012 Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012, is as follows:

Ref. No.	Requirement	Information
i	Name of the associated company	E-Processing Systems (Pvt.) Limited
	Criteria of associated relationship	The company is the 70% owned subsidiary of Systems Limited.
ii	Amount of loans or advances	Increase of running credit Line from PKR 60 million to PKR 120 million
iii	purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	Company has successfully launched its OneLoad product and is expanding the user base. This loan will assist in working capital of the company and enable an accelerated growth.
iv	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	Running credit line of PKR 60 Million
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total shareholders' equity 15,610,880 Total liabilities 31,614,623 Total Assets 47,225,503 Gross loss (4,798,454)
vi	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Not applicable.
vii	Rate of interest, mark up, profit, fees or commission etc. to be charged	7% annually
viii	sources of funds from where loans or advances will be given	From Systems Limited's own funds
ix	Where loans or advances are being granted using borrowed funds,-	Not Applicable
(I)	Justification for granting loan or advance out of borrowed funds	Not Applicable
	Detail of guarantees/assets pledged for obtaining such funds, if any; and	Not applicable
	Repayment schedules of borrowing of the investing company;	Not Applicable

x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Not Applicable
xi	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not applicable.
xii	Repayment schedule and terms of loans or advances to be given to the investee company	This is working capital support so company will utilize/repay this facility as per its working capital requirements.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	Loan for meeting the working capital requirements of the Company.
xiv	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	None
xv	Any other important details necessary for the members to understand the transaction; and	None
xvi	In case of investment in a project of an associated company or associated undertaking that has not commenced operations.	EP Systems' product OneLoad has been launched in July 2016 and is rapidly expanding its user base. This loan will help fund its Working capital needs for growth.