

Wasim A. Sattar
Manager, Listing Department
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road,
Karachi – 74000, Pakistan

Date: 02 January 2019

Subject: INCREASE IN PAID-UP CAPITAL



Dear Sir,

This is with reference to your letter dated 20 December 2018, whereby you have requested certain information with respect to increase in paid-up capital of Systems Limited (the “Company”) by Rs. 3,858,960/- (Pakistani Rupees Three Million Eight Hundred and Fifty-eight Thousand Nine Hundred and Sixty only) due to exercise of Employees Stock Option Scheme.

For the above-mentioned reason, the Pakistan Stock Exchange (the “PSX”) has requested the Company to submit the following documents:

1. Copy of approval of SECP;
2. Return of Allotment i.e. Form 3 as filed with the Registrar of Companies;
3. Auditor’s Certificate confirming increase in paid-up capital of the Company by way of ESOS along with the revised paid-up capital after issuance of new shares;
4. Payment of Additional Listing Fee in favour of Pakistan Stock Exchange Limited @ one tenth of one per cent of the increase in paid-up capital under PSX Regulation No. 5.18; and
5. Payment of Supervisory Fee of SECP in favor of Pakistan Stock Exchange Limited @ 10% of the Additional Listing Fee paid to PSC, in compliance of our Notice No. PSX/N-4413 dated August 5, 2016.

Lahore

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Software Technology Park
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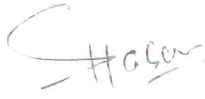
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In view of the above, please find attached as Annexure – A hereto the requested documents (other than the Payment for Supervisory Fee) for your perusal.

Please note that the Supervisory Fee of SECP in favor of PSX (in compliance with Notice No. 4413 dated 05.08.2016 and Letter No. PSX / GEN – 5907 dated 10.08.2016) has already been paid to PSX through cheque no. 26118630 drawn on Habib Metropolitan Bank Limited dated 12.08.2016 (the cheque amount includes Additional Listing Fee of Rs. 505,615/- and Supervisory Fee of Rs. 50,561/- subject to deduction of withholding tax amount of Rs. 40,449/- paid against PSX's Letter No. PSX / GEN – 5907 dated 10.08.2016). A copy of the cheque is attached herewith as Annexure – B.

It is humbly requested that the records of PSX be updated and the payment of Supervisory Fee (as mentioned above) be noted accordingly.

Sincerely,



Saad Hassan Aslam
Company Secretary
Systems Limited

LA/0812/18
 18 September 2018

The Chief Executive Officer
 Systems Limited
 Systems campus E-1, Sehjpal,
 Near DHA Phase-VIII (Ex-Air Avenue),
 Lahore

Dear Sir

**REPORT OF FACTUAL FINDINGS IN CONNECTION WITH FURTHER ISSUE OF
 SHARE CAPITAL UNDER EMPLOYEE STOCK OPTION SCHEME**

We have performed the procedures agreed with you as set forth in our engagement letter LA/0524/18 dated 27 August 2018 with respect to further issue of shares under employee stock option scheme. Our engagement was undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in complying with requirements of Central Depositories Act, 1997 (XIX of 1997) and are summarized as follows:

1. Confirmed the revised paid-up capital by reviewing Form 3 filed with Securities and Exchange Commission of Pakistan;
2. Ensured that subscription is received in the bank accounts of the company by examining the books of accounts of the company; and
3. Ensured that conditions imposed by the regulatory body have been fulfilled by the issuer in every respect by reviewing underlying documents and enquiries from management.

We report our findings as below:

a) With respect to item 1, we report that the revised share capital is as follows:

Issued, subscribed and paid up capital	Number of shares	Rupees
Share capital before further issue	111,827,652	1,118,276,520
Shares issued under stock option scheme	385,896	3,858,960
Share capital after further issue	<u>112,213,548</u>	<u>1,122,135,480</u>

- b) With respect to item 2, we report that all of the subscription is received in the bank accounts of the company.
- c) With respect to item 3, after enquiries with management we found no conditions were imposed by regulatory body on the issue.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance in respect of receipts of grants through banking channel.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standard on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to the financial statements of the Bank, taken as a whole.

Yours faithfully
