

25 January 2021

AVN/PSX/25012021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **Enhancement of Paid-up Capital – Issuance of shares under Employees Share Option Scheme(s) 2016, 2018 & 2019.**

Dear Sir,

We would like to inform you that the Paid-up Capital of the company has been enhanced from 211,790,007 to 213,827,798 shares after CDC allotment of 2,037,791 shares to all eligible employees who have exercised their share option under Employee Share Option Scheme(s) as per below details:


ESOS Scheme(s)	Amount (Rs.)	No. of Shares Options	Rate per Share (Rs.)
2016 – 1 st Tranche	14,263,701/-	849,029	16.80/-
2018 – 2 nd Tranche	656,262/-	62,501	10.50/-
2019 – 1 st Tranche	11,262,610/-	1,126,261	10.00/-

Without right offer under Section 83(1) of the Companies Act, 2017 duly approved by the Commission vide letter(s) dated September 01, 2016, July 23, 2018 and November 19, 2019.

The closing market price for the aforementioned shares at the date of credit of shares into the respective CDC sub accounts of the entitled employees, i.e. Friday, January 22, 2021 was Rs.94.43/- per share (**Closing Market Price**). The following documents are enclosed and sent to your good office.

- Employees Share Option Scheme SECP Approval letter(s);
- Auditor Certificate; and
- CDC Confirmation letter for upload.

Yours Sincerely,



Ahsan Khalil | Company Secretary

CC: The Chief Executive Officer
National Clearing Company of Pakistan Limited
8th Floor, Stock Exchange Building,
Stock Exchange Road,
Karachi.



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Company Secretary
Avanceon Limited
19 Km, Multan Road
Lahore

Dear Sir

**CERTIFICATE ON ISSUE OF SHARE CAPITAL AS REQUIRED UNDER CENTRAL
DEPOSITORY SYSTEM - STANDARD OPERATING PROCEDURES OF CENTRAL
DEPOSITORY COMPANY OF PAKISTAN LIMITED**

We have been requested to provide you with a certificate on issue of shares under Employees' Share Option Schemes (ESOS 2016 - 1st Tranche), (ESOS 2018 - 2nd Tranche) and (ESOS 2019 - 1st Tranche) by Avanceon Limited (the Company) as required under Central Depository System - Standard Operating Procedures (CDS SOPs) of Central Depository Company of Pakistan Limited (CDC).

Scope of Certificate

This certificate is issued in accordance with the "Guidelines for Auditors' Certificate" of Central Depository System - Standard Operating Procedures for further Issue of Shares other than Rights (against cash or other than cash).

Management Responsibility

It is the management responsibility to ensure compliance with all requirements with regards to allotment of securities in the name of CDC. The management's responsibilities include causing the maintenance of adequate records of options granted and issued, compliance with the SOPs, report if there is any non-compliance and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the compliance with the SOPs with regards to allotment of shares in the name of CDC in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures mentioned below:

1. Confirming the revised paid up capital / total issue after issue of shares under Employees' Share Option Schemes 2016, 2018 and 2019.



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2. Obtaining the

i) Supporting documents of allotment of shares under the scheme:

a) Certified True Copy of SECP Approval Letter of the Scheme

b) Certified True Copy of the Employees' Share Option Schemes of Avanceon Limited-(ESOS 2016 - 1st Tranche), (ESOS 2018 - 2nd Tranche) and (ESOS 2019 - 1st Tranche)

c) Certified True Copy of the Form-26 filed for the approval of the Scheme and

ii) bank statement of the designated account

3. Matching the amount of Share Capital issued with amount received with 2 (ii) above;

4. Reviewing compliance with the SoPs and reporting non-compliance, if any.

Certificate

Based on the procedures mentioned above, we are pleased to certify that as per the books and records of the Company, an aggregate subscription amount as per below:

ESOS Scheme(s)	Amount (Rs.)	No. of Shares Options	Rate per Share (Rs.)
2016 - 1 st Tranche	14,263,701	849,029	16.80
2018 - 2 nd Tranche	656,262	62,501	10.50
2019 - 1 st Tranche	11,262,610	1,126,261	10.00

has been received by the Company by 22 January 2021, as approved and envisaged in the approved Employee Share Option Schemes 2016, 2018 and 2019 of the Company. The paid-up capital of the Company after taking into account further issue of shares would be as follows:

Particulars	Prior to ESOS issue	ESOS issue	Post ESOS issue
Issued and subscribed shares of the Company	211,790,007	2,037,791	213,827,798

We state that all the requirements as mentioned in this letter with regards to allotment of shares in the name of CDC have been fulfilled by the Company. Further, we have obtained representation from the Company that no special conditions have been imposed by the Securities and Exchange Commission of Pakistan (SECP) relating to the Scheme.



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Restriction on use and distribution

This letter is being issued in the capacity of statutory auditor of the Company and on the specific request of the management of the Company for onward submission to the CDC and Pakistan Stock Exchange Limited (PSX). Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes
Chartered Accountants
Engagement Partner: Farooq Hameed
Lahore: 22 January 2021