

SERVICE FABRICS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EOGM) of **Service Fabrics Limited** (the Company) will be held on Saturday, May 29, 2021 at 11:00 AM at Registered Office of the Company at Office No 505, 5th Floor, LSE Plaza, Khayaban-e-Aiwan-e-Iqbal, Lahore to transact the following business:

SPECIAL BUSINESS

1. To change the name of the Company to "G3 Technologies Limited" by passing the resolution as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed to the notice of EOGM.
2. To approve the increase in authorized share capital of the Company from Rs.160 million to 2,500 million by passing the resolution as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed to the notice of EOGM.
3. To amend/alter/change the Memorandum and Articles of Association of the Company by passing the resolution as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed to the notice of EOGM.
4. To approve business plan of the Company.
5. To transact any other business with the permission of the Chair.

By order of the Board



Muhammad Usman
Company Secretary

Lahore
Dated: May 06, 2021

Notes:

1. BOOK CLOSURE

Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from Friday May 21, 2021 to Friday May 28, 2021 (both days inclusive). Transfer received in order for the purpose of attending Extraordinary General Meeting. Transfers received in order at the office of Share Registrar F.D. Registrar Services (SMC-Pvt.) Ltd, 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi at the close of business on May 20, 2021 will be treated in time for the purpose of attendance in the EOGM.

2. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original CNIC or passport.

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly.

3. CONSENT FOR VIDEO CONFERENCE

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of Service Fabrics Limited holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____

STATEMENT OF MATERIAL FACTS 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 Extraordinary General Meeting (EOGM) of the Company to be held on Saturday, May 29, 2021.

Service Fabrics Limited (the Company) initially engaged in the business for manufacturing and selling of fabrics but the Company has ceased its operating activities since October 2004. During the year 2016-17, Securities and Exchange Commission of Pakistan (SECP) had filed petition with the honorable Lahore High Court, Lahore (the Court) under section 305 and 309 of the Companies Ordinance, 1984 for winding up of the Company. Currently, the petition is pending for adjudication at honorable High Court.

Management of the Company has decided to revamp the Company as a going concern and to revive the Company. For this purpose, certain approvals of shareholders of the Company are being obtained through this EOGM.

Agenda Item No. 1: Change of Name of the Company

Under the "Revival Business Plan" of the Company, Company is intended to explore and revive its activities in the fields of technology and related investments directly or indirectly in the manufacturing set-ups and trading activities. Accordingly, name of Company is proposed to be changed to G3 Technologies Limited.

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications and accordingly change the memorandum and articles of association of the Company:

“RESOLVED THAT approval of the shareholders Service Fabrics Limited (the Company) be and is hereby accorded to change the name of the Company from Service Fabrics Limited to G3 Technologies Limited subject to approval of the Registrar of the Companies, Lahore or the SECP.

FURTHER RESOLVED THAT Memorandum and Articles of Association of the Company be changed to that extent that wherever name of the Company Service Fabrics Limited is appearing that name be replaced with G3 Technologies Limited.

FURTHER RESOLVED THAT approval be and is hereby accorded to Chief Executive to suggest and adopt and execute any other suitable name in case of non-availability due to any reason(s) or circumstances.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of filing necessary documents, obtaining the approval of the Registrar of Companies, Lahore or the SECP in respect of change the name of the Company, in the best interest of the Company and the shareholders.

Agenda Item No. 2: Increase in Authorized Share Capital

In order to cater for future increase in paid up capital, the authorized share capital needs to be enhanced. In the light of the same for future potential issuance of shares, the Company seeks to increase its authorized share capital from Rs.160 million to Rs.2,500 million and accordingly make the necessary amendments to memorandum and Articles of Association of the Company.

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications and accordingly change the memorandum and articles of association of the Company:

RESOLVED THAT authorized share capital of Service Fabrics Limited (the Company) be and is hereby increased from Rs.160,000,000/- divided into 16,000,000 ordinary shares of Rs. 10 each to Rs. 2,500,000,000/- divided into 250,000,000 ordinary shares of Rs. 10 each.

FURTHER RESOLVED THAT the Company be and is hereby authorized to amend and alter the Memorandum of Association and Articles of Association of the Company to give effect of increase in authorized share capital of the Company from Rs.160,000,000/- divided into 16,000,000 ordinary shares of Rs. 10 each to Rs. 2,500,000,000/- divided into 250,000,000 ordinary shares of Rs. 10 each.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of increase in authorized share capital and amendment/ alteration in Memorandum and Articles of Association of the Company.

Agenda Item No. 3: Amend and Alter the Memorandum and Articles of Association

Keeping in decision to revamp the Company as a going concern and the management has prepared business plan for its revival. Accordingly, the Memorandum and Articles of Association of the Company is proposed to be changed to commensurate it to “Revival Business Plan” of the Company and to adopt all or any of the regulations contained in Table A in the First Schedule of the Companies Act, 2017. It is also proposed to adopt Articles of Association party as per Table A with certain modification and additions.

Proposed (revised and amended) Memorandum and Articles of Association (M&A) of the Company shall be made available for inspection by the members at Extraordinary General Meeting. Moreover, M&A is also made available at Company’s website: www.servicefabrics.com

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications for alter/ amend the memorandum and articles of association of the Company:

RESOLVED THAT the approval be and is hereby accorded to replace the existing object clause under Clause III of the Memorandum of Association of Service Fabrics Limited (the Company) with the following clause and sub-clauses:

Clause III of the Memorandum of Association of the Company

- i. The principal line of business of the company shall be to establish and run technological projects, products, related know-how and research & development and to invest directly and indirectly in the manufacturing, trade, import, export and related consultancy and to provide infrastructural projects subject to permission of relevant authorities.
- ii. Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- iii. Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
- iv. It is hereby undertaken that the company shall not:
 - (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;

- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

FURTHER RESOLVED THAT the approval be and is hereby accorded to replace the existing Articles of Association of the Company with the new Articles of Association partly as per Table A of the Articles of Association under Companies Act, 2017 with certain necessary modifications and additions.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of alter/ amend/ change in Memorandum and Articles of Association of the Company.

FURTHER RESOLVED THAT aforesaid alteration in Memorandum and Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or may be suggested, directed and advised by the Securities Exchange Commission of Pakistan and/or the Registrar of Companies which suggestion, direction and advise shall be deemed to have been approved as part of the passed Special Resolution without the need of members to pass a fresh Special Resolution.

Agenda Item No. 4: Revival Business Plan

During the year 2016-17, Securities and Exchange Commission of Pakistan (SECP) had filed petition with the honorable High Court, Lahore (the Court) under section 305 and 309 of the Companies Ordinance, 1984 for winding up of the Company. Currently, the petition is pending for adjudication at honorable High Court.

Management of the Company has decided to revamp the Company as a going concern and has prepared business plan for its revival. "Revival Business Plan" is presented to the shareholders for their approval so that same can be submitted to the SECP and to the honorable Court. Efforts are being made to revive the Company and after approval of Business Plan by shareholders of the Company, a request will be submitted with SECP and the Court to withdraw the liquidation petition filed by SECP against the Company.

In addition to above, irrevocable Voting Trust Agreement is proposed to enter by the Company with a trust company named Digital Custodian Limited or with any other company. This agreement is part of the Revival Business Plan.

The Revival Business Plan of the Company and draft Voting Trust Agreement shall be made available for inspection by the members at Extraordinary General Meeting. Moreover, both the above documents are also made available at Company's website: www.servicefabrics.com

Draft Proposed Resolutions:

The following resolution is proposed to be passed as ordinary resolution, with or without modifications for approval of Revival Business Plan of the Company and draft Voting Trust Agreement:

RESOLVED THAT the approval is hereby accorded for Revival Business Plan of Service Fabrics Limited (the Company) as presented to the shareholders of the Company for presentation to the Securities and Exchange Commission of Pakistan and the Honorable Lahore High Court, Lahore for their approval and thereafter implementation by the Company.

FURTHER RESOLVED THAT approval is hereby accorded for enter into irrevocable Voting Trust Agreement with a trust company named Digital Custodian Limited and/or with any other company as may be decided by management of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of Revival Business Plan of the Company and/or enter into irrevocable Voting Trust Agreement by the Company.

FURTHER RESOLVED THAT aforesaid Revival Business Plan and irrevocable Voting Trust Agreement shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or may be suggested, directed and advised by the Securities Exchange Commission of Pakistan and/or the Honorable Lahore High Court, Lahore which suggestion, direction and advise shall be deemed to have been approved as part of the passed Ordinary Resolution without the need of members to pass a fresh Ordinary Resolution.

INTEREST OF DIRECTORS

The directors of the Company have no direct or indirect interest in above mention Special Business except to the extent that they are also members of the Company.

Revival Business Plan

Service Fabrics Limited

Situation Analysis

Service Fabrics Limited (the Company) was incorporated in Pakistan on December 01, 1987 as a Public Limited Company under the Companies Ordinance, 1984.

The shares of the Company are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Office No 505, 5th Floor, LSE Plaza, Khayaban e Aiwan e Iqbal, Lahore. Principal business of the Company was manufacturing and selling of fabrics. The Company has ceased its operating activities since October 2004.

Balance sheet as on March 31, 2021 depicts the following financial position

	<u>March 31, 2020</u>
	Rs.
Cash and bank balances	202,142
Long term financing	(162,114,011)
Current Liabilities	(48,331,117)
Net Assets	<u>(210,242,986)</u>
Represented by:	
Issued, subscribed and paid up capital	157,548,000
Accumulated loss	(367,790,986)
	<u>(210,242,986)</u>

Share Capital position as on March 31, 2021 is as follows:

	<u>Ordinary Shares</u>	<u>Par Value</u>	<u>Ordinary Shares</u>
	Nos.	Rs./Share	Rs.
Authorized Capital	16,000,000	10.00	160,000,000
Issued, subscribed and paid up capital	15,754,800	10.00	157,548,000

Pattern of Shareholding

With Public	157,544,500
Directors	3,500

Financial position of the Company is very weak and net worth is negative and liabilities of more than **Rs. 210 million** are outstanding. Almost 100% outstanding shares are lying with the public that is creating the ownership issue i.e. entrepreneurial stakes arising from majority ownership is absent in the Company.

SWOT analysis of the Company is presented below:

SWOT Analysis
Strength <ul style="list-style-type: none">Listed Company having share price above par value (e.g. Rs. 10.36 as on March 31, 2021) .Widely spread free float of the Company.Assets and liabilities are cleaned i.e. assets are disposed of and secured liabilities are paid off except Rs. 2.25 million (excluding accrued markup) payable to National Bank of Pakistan).
Weaknesses <ul style="list-style-type: none">Financial resources are exhaust and weak net worth position of the Company.Entrepreneurial interest is missing.Liquidation petition is filed by SECP against the Company.Lack of collateral to generate funding from banks.
Opportunities <ul style="list-style-type: none">Capital market can act a catalyst to growth of the Company. Despite its “shell” status, Company has fund raising power to harness its future diversification plan, if any.Possibility to have joint venture with renowned group to go for revival of the Company and to create entrepreneurial interest.Company can revamp and reposition itself into emerging fields and can create value to the shareholder.
Threats <ul style="list-style-type: none">Liquidation petition is materialized and Company can go into liquidation.Company can't find JV partner and unable to raise requisite funds.Intended business venture is not materialized.

Strategy & Expected Outcome

Certain corporate actions/ decisions are taken by the Board of Directors in their meeting held on **April 30, 2021** for the subsequent approval from the shareholders in their extraordinary general meeting that is recommended to be held on May 29, 2021.

The key decisions taken by the Board of Directors in the meeting are as under.

1. Adoption of **Revival Business Plan** for further submission to the SECP and to the honorable Court;
2. Change of Name of the Company from Service Fabrics Limited to the proposed name of **G3 Technologies Limited** to represent its revised/intended business activities;
3. Increase in the Company's authorized capital from Rs. 160.00 million to **Rs. 2,500million**;
4. Change in Object Clause of the Memorandum of Association of the Company to accommodate intended/planned business activist;
5. Adoption/Change of Articles of Association of the Company;

Joint Venture Agreement is being made with **Ghani Global Holdings Limited (GGL)** to make joint investment in “**Supercapacitor Project**” to enter into green technology business by way of manufacturing and sale of supercapacitors and to provide long term energy storage solutions for electric vehicles, solar & UPS battery solutions, telecom, micro-grid, locomotives, industrial equipment, energy harvesting and green technology etc. in Pakistan and export to other countries.

The said project will be executed through **Kilowatt Labs Technologies Limited (KLTL)**. KLTL will establish manufacturing facilities in Allama Iqbal, Industrial City, Faisalabad and will carry out sales, marketing and R&D activities in Pakistan.

Summary of the Project

Implementing Entity	Kilowatt Labs Technologies Limited
Project title	Manufacturing, sales, marketing and R&D of Super Capacitor in Pakistan (“the Super Capacitor Project”)
Duration	12~18 calendar months
Total budget	PKRs. 1.00 billion in first phase extendable to PKRs. 3.2 billion in three phases
Overall goal	Manufacturing plant of the Technological Products in Pakistan with selling and distribution rights initially in Pakistan and gradually expanded to rest of the world.
Project sustainable output	Manufacturing of “ Technological Products ” that initially means: 1. Sirius supercap storage which is a degradation free, longer-life, faster charging, safer, cheaper and more environmentally friendly alternative to chemical batteries; 2. Centauri energy server which is a stand-alone, integrated power electronics hardware + software platform enabling fossil fuel free micro-grids and eliminating the need to configure solutions by deploying disparate components in cumbersome configurations;
Applications	Electric vehicles, solar & UPS battery solutions, telecom, micro-grid, locomotives, industrial equipment, energy harvesting and green technology e
Partners	1. Ghani Global Holdings Limited 2. G3 Technologies Limited 3. Kilowatt Labs Inc., USA (along with its associates)
Target group/area	The research and development, manufacture, distribution, sales, marketing and support of Technological Products and related Services in Pakistan and rest of the world.

Collaboration

1. **Kilowatt Labs Inc., USA (KWL)** along with its associates has expertise in the research, development, manufacture and sale of Sirius and Centauri and the provision of related marketing, distribution, technical and administrative services, and also possesses certain intellectual property that could be used or useful in the development and production of the technological products.
2. **GGL** has financial resources and engaged in manufacturing and sale & marketing of diversified products in Pakistan and has the required know-how of the local market, and administrative skills to operate in Pakistan. GGL Group is operating following Companies in Pakistan;
 - a. Ghani Global Holdings Limited
 - b. Ghani Global Glass Limited
 - c. Ghani Chemical Industries Limited

G3, KWL (along with its associates), and GGL intend to set-up the manufacturing plant of the Technological Products in Pakistan with selling and distribution rights initially in Pakistan and gradually expanded to rest of the world under territorial arrangements.

G3, KWL (along with its associates) and GGL desire to establish a joint venture through the formation of Kilowatt Lab Technologies Limited, a public limited liability company, with the intention that the Company shall become a global leader in the Business.

KWL along with its associates hereinafter collectively being referred as “JV Partner” and G3 and GGL collectively being referred as “Collaborating Partner”

GGL will make investment in **G3 Technologies Limited (G3)** and G3 will make joint venture agreement with the JV Partner. Organizational arrangement will be as follows:

1. Collaboration agreement between G3 and GGL to make investment in **KLTL**;
2. Joint venture agreement between G3 & JV Partner to setup the Super Capacitor Project in **KLTL**;
3. Number of directors and representation from JV Partner (including appointment of CEO and Chairman) in **KLTL** will be deliberated in joint venture agreement;
4. Functions/Department will be handled and operated as would be elaborated in joint venture agreement;
5. Under Collaboration Agreement between G3 and GGL, G3 will transfer irrevocably its voting rights (attached to its entitled shares of **KLTL**, present and future) to the **voting trust** to be formed for the purpose in favor of GGL as a beneficiary. Voting rights will be exercised by GGL (or its nominee as appointed and authorized through BoD resolution by the GGL) on behalf of G3 as they deem fit and necessary.

Financial Structure

First Phase: - Rs. 1,000 million is the project cost (excluding working capital requirement) of the Super Capacitor Project.

Second and Third Phase: - Manufacturing processes and new product lines will be added in the 2nd and 3rd phases.

Contribution in Rs. and %shareholding in **KLTL** will be as follows:

Name of Party	Amount (Rs.)	%Holding	Remarks
G3	650,000,000	50%	JV Partner has the required expertise, technology, intellectual property rights, territorial rights
JV Partner	350,000,000	50%	
Total	1,000,000,000	100%	

1. Stake in the Company (**KLTL**) will be equal between G3 and JV Partner.
2. G3 will raise funds through right issue as follows:

Shares Outstanding	Nos.	15,754,800
Right Issue	%	571%
Right Price	Rs./Share	10.00
Shares to be Issue against Right	Nos.	90,000,000
Right Proceeds	Rs.	900,000,000

3. Utilization of Proceeds will be as follows:

Utilization of Proceeds

The Supercapacitor Project	Rs.	650,000,000
Repayment of Liabilities	Rs.	202,936,507
Cash and Bank	Rs.	<u>47,063,493</u>
		900,000,000

4. Right issue will be made to the existing shareholders. However, GGL will make sure the following:
- a. At least 15% of the Letter of Right (LoR) i.e. **13,500,000** will be purchased by GGL from the market (PSX), provided market price of LoR is not exceeded by Rs. 2.00 per LoR and purchased LoR will duly be subscribed by GGL;
 - b. Issue will 100% be underwritten;
 - c. Unsubscribed shares will be offered and allotted to such persons and in manner as the directors may deem fit in accordance with the Section 83(1)(a)(iv) of the Companies Act, 2017, including the GGL, directors or any third party before calling upon the underwriters to subscribe to any unsubscribed shares;
 - d. GGL and its associates may invest in the Company's right up to **50%** i.e. up to 45,000,000 shares (including both LoR purchased from PSX as described above and out of unsubscribed portion);

**The Super Capacitor Project
Project Scope and Key Activities**

The land that is to be acquired for the Supercapacitor Project is 10acre in Allama Iqbal Industrial Estate, Faisalabad which will horizontally be developed. The said land has easy accessibility via established road network. The infrastructural requirements of the project mainly comprises of the construction of 80,000sqft of manufacturing/ assembly, administration area, parking space and open space, etc.

Total Area Available (10 acre) $10 \times 8 \times 20 \times 272 = 435,200$ Sqft to cater present and future needs of the Company (**KLTL**).

Departments and Functions

- 1. Capacitor Manufacturing
- 2. Housing/Case Making
- 3. Mechanical
- 4. Assembly
- 5. Stores (Inbound and outbound)
- 6. Office Building
- 7. Time Office, Mosque, Cafeteria, Parking
- 8. Guest House
- 9. Horticulture

Following Process will be added in the 2nd Phase

- 10. PCB Manufacturing

New product lines will be added in second and third phases.

Utilization of Proceeds

	Rs.
Project Cost	950,000,000
Working Capital	1,239,763,096
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	2,189,763,096
Sources of Funds	
Equity Issue	1,000,000,000
- JV Partner	350,000,000
- G3 Technologies Limited	650,000,000
Bank Borrowings/Internal Generation	1,189,763,096
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	2,189,763,096

Project Oversight and Assurance

Project Board will be established to undertake Project oversight and assurance. The Project Board is responsible for making management decisions for the Project when the Project Manager requires guidance, including recommendations for approval of Project revisions. Project reviews by the Board are made at designated decision points during the duration of the project, or as necessary when raised by the Project Manager. The Board will be consulted by the Project Manager for decisions when Project tolerances (i.e. constraints normally in terms of time and budget) need to be revised.

Project Cost Composition

	Rs.
Land	120,000,000
Building	200,000,000
Plant & Machinery	495,000,000
Computer	50,000,000
Furniture & Fixture	30,000,000
Office Equipment	30,000,000
Vehicle	25,000,000
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	950,000,000

Within the Project cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria.
- The Project Manager shall submit a Project Progress Reports to the Project Steering Committee on quarterly basis.
- The Project Manager will prepare annual and completion reports including financial statement of the Project and submit them to the Project Steering Committee

- A Project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the Project.
- Availability of professional staff and know-how play a major role in the success of this project. JV Partner will ensure the training of local staff, transfer of technology and research and development.

Installed & Operational Capacity

External Storage Device

Capacity per Shift	KWh	150,000	per Year
No. of Days		330	
No. of Workforce		300	
Electricity Load Requirement	KW	1,200	

External Storage Device	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
No. of Hours to be Worked	8	8	8	8	8
Capacity per annum in KWh	150,000	150,000	150,000	150,000	150,000
Expected Production per annum in KWh	100,000	110,000	121,000	133,100	146,410

*Projections are based on capacities available in the first Phase. Phase 2 and Phase 3 are not accounted for.

Critical factors

1. **Allama Iqbal Industrial Estate, Faisalabad comes under clause 126E of the Second Schedule of the Income Tax Ordinance, 2001, thus it enjoys tax exemption for 10years.**
2. Demand of the Energy Storage Devices (Technological Products) is derived demand stemming from industrial and economic growth of the Country. Thus, economic growth rate is crucial to the success of the Supercapacitor project.
3. Resumption of the world economic activities is also very important in development of export markets.
4. **KLTL** vision is to transition energy storage to a non-chemical future and to enable global energy access by expanding delivery of electricity through renewable generation based micro-grids. Thus, initial outlay on the product is relatively higher but in terms of life cycle and clean energy, Technological Products are cheaper to its peer products. But initial outlay (initial price to the consumer) may play vital role in buying decision for price sensitive market.

Projected Financial Statements

Profit and Loss Statement

	Rs. in 000	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
Sales		4,200,000	5,082,000	6,149,220	7,440,556	9,003,073
Material Costs		(2,146,817)	(2,504,069)	(2,920,809)	(3,406,951)	(3,974,064)
Other Material	10%	(420,000)	(508,200)	(614,922)	(744,056)	(900,307)
Utilities		(68,016)	(78,999)	(91,959)	(107,278)	(125,414)
Salaries		(352,800)	(426,888)	(516,534)	(625,007)	(756,258)
Transportation		(80,000)	(96,800)	(117,128)	(141,725)	(171,487)
Others	18%	(756,000)	(914,760)	(1,106,860)	(1,339,300)	(1,620,553)
Depreciation		(89,000)	(93,025)	(83,431)	(75,397)	(68,624)
Financial Charges		(97,200)	(87,480)	(78,732)	(70,859)	(63,773)
Taxation		-	-	-	-	-
		190,167	371,779	618,845	929,984	1,322,592
Material Costs		61%	59%	57%	56%	54%
Utilities		2%	2%	1%	1%	1%
Others		37%	39%	41%	43%	44%

Balance Sheet

	Rs. in 000	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
Fixed Assets		861,000	927,975	864,544	809,147	760,523
		861,000	927,975	864,544	809,147	760,523
Current Assets						
Debtors		690,411	835,397	1,010,831	1,223,105	1,479,957
Stock in Trade		705,803	823,255	960,266	1,120,094	1,306,542
Stores & Spares		34,521	41,770	50,542	61,155	73,998
Advances, Prepayments		60,000	66,000	72,600	79,860	87,846
Cash & Bank		169,404	131,132	435,817	999,152	1,892,287
		1,660,138	1,897,555	2,530,055	3,483,366	4,840,629
Total Assets		2,521,138	2,825,530	3,394,599	4,292,514	5,601,152
Current Liabilities						
Trade Creditors		210,971	247,584	290,608	341,179	400,633
Other Liabilities		40,000	44,000	48,400	53,240	58,564
Bank Borrowings		1,080,000	972,000	874,800	787,320	708,588
		1,330,971	1,263,584	1,213,808	1,181,739	1,167,785
Share Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Share Premium		-	-	-	-	-
Retained Earnings		190,167	561,946	1,180,791	2,110,775	3,433,367
		1,190,167	1,561,946	2,180,791	3,110,775	4,433,367
Total Liabilities & Equity		2,521,138	2,825,530	3,394,599	4,292,514	5,601,152

Cash flow Statement

	Rs. in 000	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
Net Profit before Tax and Financial Charges		287,367	459,259	697,577	1,000,843	1,386,365
Depreciation		89,000	93,025	83,431	75,397	68,624
Financial Charges		(97,200)	(87,480)	(78,732)	(70,859)	(63,773)
Taxation		-	-	-	-	-
Change in Working Capital		(1,239,763)	(235,076)	(280,391)	(334,565)	(399,350)
Cashflow from Operating Activities		(960,596)	229,728	421,885	670,816	991,866
Capital Expenditures		(950,000)	(160,000)	(20,000)	(20,000)	(20,000)
Proceeds from Shares		1,000,000	-	-	-	-
		(910,596)	69,728	401,885	650,816	971,866
Opening Cash & Bank Borrowings		-	(910,596)	(840,868)	(438,983)	211,832
Cashflow during the Period		(910,596)	69,728	401,885	650,816	971,866
Closing Cash and Bank Borrowings		(910,596)	(840,868)	(438,983)	211,832	1,183,699

Financial Outcome

IRR	41%
Payback Period	Five years
NPV	2,369,618 Rs. in 000
Discounted at	15%

G3 Technologies Limited
Financial Impact & Return

Application may be filed with the honorable Court under Section 89 (Reduction of share capital) of the Companies Act, 2017 for the reduction of the Capital and subject to confirmation by the honorable Court a company limited by shares, if so authorized by its articles, may by special resolution reduce its share capital in way of cancelling paid-up share capital un-represented by available assets;

Reduction of Capital will have following positive effects on the Company:

1. It will not affect business value of the Company theoretically i.e. business valuation will remain the same before and after the event. Thus, ex-price will be adjusted to keep the valuation of the Company intact.
2. However, capital reduction will have positive impact on EPS as denominator is reduced.
3. Company will be able to declare dividend soon as it gets earning streams from the Supercapacitor Project". Shareholders do not need to wait till the accumulated loss is absorbed and turns into Green.

	March 31, 2020	After Right	Section 89 Impact
	Rs.	Rs.	Rs.
Cash and bank balances	202,142	47,265,635	47,265,635
Investment in Associates		650,000,000	650,000,000
Long term financing	(162,114,011)	-	-
Current Liabilities	(48,331,117)	(43,731,921)	(43,731,921)
Net Assets	(210,242,986)	653,533,714	653,533,714
Represented by:			
Issued, subscribed and paid up capital	157,548,000	1,057,548,000	653,533,714
Accumulated loss	(367,790,986)	(404,014,286)	-
	(210,242,986)	653,533,714	653,533,714

Ratio of Capital Reduction

38.20%

No. of Shares to be Reduced

from 105,754,800 to 65,353,371

Approval from shareholders will be obtained in subsequent general meeting.

Key Assumptions

No. of Days in Debtors	60
No. of Days in Direct Material	120
No. of Days in Indirect Material	30
No. of Days in Creditors	30

Electricity Consumption						
	Units	2,112,000	2,323,200	2,555,520	2,811,072	3,092,179
Rate	18.00	38,016,000	45,999,360	55,659,226	67,347,663	81,490,672
Fixed Costs		30,000,000	33,000,000	36,300,000	39,930,000	43,923,000
		68,016,000	78,999,360	91,959,226	107,277,663	125,413,672
Load Factor	KW	800	880	968	1,065	1,171
Workforce						
No. of Work force		300	300	300	300	300
Overtime Factor		1.00	1.10	1.21	1.33	1.46
Average per Month	70,000	70,000	77,000	84,700	93,170	102,487
Annual		252,000,000	304,920,000	368,953,200	446,433,372	540,184,380
Others	40%	100,800,000	121,968,000	147,581,280	178,573,349	216,073,752
Payroll Costs		352,800,000	426,888,000	516,534,480	625,006,721	756,258,132
Transportation	Qty	100,000	110,000	121,000	133,100	146,410
	Rate per Ton	800	880	968	1,065	1,171
	Cost	80,000,000	96,800,000	117,128,000	141,724,880	171,487,105

Trust Deed

THIS DEED is made at Lahore on this 1st day of _____, 2021

Settlor	Service Fabrics Limited	SERF
Trustee	Digital Custodian Company Limited	Trustee
Beneficiary	Ghani Global Holdings Limited	GGL
Name of Trust	Voting Trust by and between SERF and Trustee	
Type of Trust	Irrevocable Trust whereby its terms cannot be modified, amended or terminated without the permission of GGL	
Tenor	Perpetual unless wound-up on triggering events. Change of shareholding in and/or change in Board of Directors SERF shall not affect the efficacy, functioning and operations of this Trust	
Shares	Shares (irrespective of class) issued by Kilowatt Labs Technologies Limited ("KLTL") to and in the ownership of SERF	
Ownership of SERF	Shares issued from time to time, present or future, by KLTL to SERF and includes right issue, bonus issue, other than right etc.	
Purpose of the Trust	Establishment of "voting trust" whereby the voting rights attached with the shares are legally transferred to the Trustee, for an indefinite period of time	
Trust Property	SERF is desirous of dedicating and declaring a private trust over 100% of its present and future voting rights in KLTL in relation to any of the " Designated Businesses " to be conducted at any general meeting of KLTL (the " Trustee Voting Rights ") such that from the date of execution of this Deed onwards the Trustee shall become a trustee of the Trustee Voting Rights for the benefit of GGL.	
Declaration of Trust	SERF hereby declares that the Trust Property shall vest in and shall be held by the Trustee in accordance with the terms of this Deed, in trust for the benefit of the GGL. SERF hereby further declares that the rights and benefits vested or to be vested in the Trustee shall be held, performed and exercised in accordance with the directions of GGL.	
Designated Businesses	Trustee shall exercise Trustee Voting Rights in accordance with the directions of GGL in any of the following businesses, if transacted in any general meeting of the shareholders of KLTL <ol style="list-style-type: none"> 1. Election and appointment of Directors 2. Increase in Authorized Capital of the Company 3. Reduction of Capital 4. Scheme of Arrangement, Reconstitution and Amalgamation 5. Investment in Associates 6. Voluntary winding up 	
Procedure to be followed by the Trustee to exercise Trustee Voting Rights	Trustee is hereby vested with all of the rights, powers and privileges of every kind and character of an owner of the Shares, including: (a) the right to vote the same, either in person or by proxy, or act by written consent, for every purpose related to the Designated Businesses. Trustee is bound to act upon the instructions of GGL to exercise such Trustee Voting Rights. Designated Businesses	

	transacted at general meeting of the shareholders of KLTL without/against consent/instructions of GGL shall be null and void.
Shares to be in Scrip-less Form	Shares, present and future” shall be in the name of SERF but in scrip-less form in the custody of Trustee and shall be in the “freeze status” and cannot be sold, transferred, relinquished, assigned without the approval of GGL
Dividend Entitlement	Dividend, in cash or in kind, paid by KLTL shall be accrued to SERF
Bonus Entitlement	Bonus issue made by KLTL shall be accrued to SERF but will be in “freeze status” with the Trustee
Right Issue	Right Issue made by KLTL shall be accrued to SERF. However, if right issue is not subscribed/taken-up by SERF, same shall be offered to GGL for subscription and if same is not taken up by GGL can be offered to in any way to any party(ies) as the Board of Directors of KLTL deem fit
Power of Trustee	The Trustee shall have all the powers and discretions conferred upon trustees by the Trust Act, 1882
Remuneration of Trustee	SERF shall pay to the Trustee, in consideration of the Trustee acting as trustee hereunder, an annual fee of Rs. 10,000/- (Rupees Ten Thousand Only) to the Trustee, with the first payment becoming due on the effective date of this Deed and subsequent payments becoming due on each anniversary thereof, until the trust is wound-up
Replacement and Retirement of the Trustee	SERF may at any time, with the prior consent of the GGL, replace the Trustee by giving not less than thirty days’ notice in writing to the Trustee. SERF should change the Trustee if so requested in writing by GGL. Thirty days’ notice in writing to the Trustee shall be given in such case.
Winding-up of Trust	The trust constituted by this Deed shall terminate on the occurrence of any of the following triggering events;
Triggering Events	<ol style="list-style-type: none"> 1. Winding up of SERF 2. Winding up of GGL 3. Winding up of KLTL 4. On mutual agreement between SERF and GGL.
Disclosure	The Trustee shall, upon request, disclose to the GGL a copy of this Trust Deed and all other documentation and financial information relating to the Trust.
Governing Laws	This Deed shall be governed by and construed in accordance with, the laws of the Islamic Republic of Pakistan. Trust has to be registered under Trust Act, 1882 and original trust documents will be kept by Trustee and Trustee will issue certified true copy to SERF and GGL
Jurisdiction	Each of the parties hereto irrevocably agrees for the benefit of the Trust that the appropriate courts in Lahore shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deed, and for such purposes irrevocably submits to the jurisdiction of such courts.

IN WITNESS WHEREOF this Deed has been executed by the parties hereto on the date first above written

SERF

TRUSTEE

Service Fabrics Limited

By:
Title:

Authorized through Board Resolution dated----

Witnesses:

1. _____
Name:
Address:
CNIC No.:

2. _____
Name:
Address:
CNIC No.:

Digital Custodian Company Limited

By:
Title:

Witnesses:

1. _____
Name:
Address:
CNIC No.:

2. _____
Name:
Address:
CNIC No.: