



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 5th Annual General Meeting ("AGM") of Service Global Footwear Limited (the Company) will be held on **Friday, the April 26, 2024 at 10:00 a.m.** at Shalimar Tower Hotel, Adjacent Servis House, 2 - Main Gulberg, Lahore, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited separate and consolidated financial statements of Service Global Footwear Limited (the 'Company') for the year ended December 31, 2023, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

In accordance with Section 223(7) of the Companies Act, 2017 and S.R.O No. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

<https://www.serviceglobalfootwear.com/financial-reports/#1611070650709-0e31e898-6388>



2. To approve the final cash dividend of Rs. 2 per share i.e. 20% as recommended by the Board of Directors in addition to the interim cash dividend of Rs. 3 per share i.e. 30% already paid to the shareholders of the Company making a total cash dividend of Rs. 5 per share i.e. 50% for the year ended December 31, 2023.
3. To appoint Auditors and to fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Riaz Ahmad & Company, Chartered Accountants for re-appointment as auditors of the Company.

Special Business:

4. To consider and if deemed fit and pass with or without modification, a resolution as Special Resolution, as proposed in the Statement of Material Facts, pursuant to the provisions of Section 199 of the Companies Act, 2017 for renewal of the investment in the form of working capital loan of up to PKR 4.5 Billion (Rupees Four Billion Five Hundred Million Only) in Service Industries Limited, a holding / associated company approved by the shareholders vide special resolution dated April 28, 2023 and expiring on June 30, 2024 for a further period of one year till June 30, 2025 with all other terms and conditions of the investment to remain unchanged.

(Annexed to the notice being circulated to the shareholders is a statement of material facts and draft resolutions pertaining to special business to be transacted at the AGM).

By Order of the Board

Lahore
April 04, 2024

Waheed Ashraf
Company Secretary



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

NOTES:

1. The Share Transfer Books of the Company will remain closed from April 20, 2024 to April 26, 2024 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on April 19, 2024 will be considered in time for the purpose of entitlement of final cash dividend and to attend, speak and vote at the AGM.
2. A member of the Company entitled to attend and vote at the Annual 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. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. The members can also participate in the Annual General Meeting through video link facility.

To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an e-mail at shareholders@servis.com.

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on April 22, 2024.

5. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to submit Electronic Credit Mandate directly to the shareholder's Broker/Participant/CDC Account Services.



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

6. The Government of Pakistan has 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. These rates are as follows:

For filers of income tax returns	15%
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 the 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%.

In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio / CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
-------------------------	---------------------	------	--------------	--------------	-----------------------------

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or the Shares Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

7. Procedure for E-Voting

- In accordance with the Companies (Postal Ballot) Regulation, 2018, (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations.
- Detail of e-Voting facility will be shared through e-mail with those members of the company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on April 19, 2024. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before April 19, 2024.
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote for the agenda item No. 4 online from April 23, 2024 till April 25, 2024 5:00 p.m. Voting shall close on April 25, 2024, at 5:00 p.m. A vote once cast by a Member, shall not be allowed to be changed

8. Procedure for Voting Through Postal Ballot


- Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.serviceglobalfootwear.com to download.
- The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Servis House, 2-Main Gulberg, Lahore, or email at chairman@servis.com one day before the AGM, i.e., on April 25, 2024 before 5:00 p.m. In case of member is a corporate entity, the Board's resolution / power of attorney with specimen signature shall also be furnished (unless it has been provided earlier) along with ballot paper to the Company. A postal ballot received after this time / date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

- c. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Riaz Ahmad & Company, Chartered Accountants, (a QCR rated audit firm) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11 of the Regulations.
9. A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.
10. The Company has placed the Annual Report containing Audited Annual Financial Statements for the year ended December 31, 2023, Auditors' and Directors' Reports thereon and Chairman's Review Report on its website: www.Serviceglobalfootwear.com and can also be downloaded / viewed from the following QR code and weblink:

<https://www.serviceglobalfootwear.com/financial-reports/#1611070650709-0e31e898-6388>

11. Shareholders have passed an Ordinary Resolution in Annual General Meeting held on April 28, 2023 to transmit annual report through QR enabled code and weblink in compliance of directive of SRO 389(I)/2023 dated 21st March 2023. The shareholders who wish to receive hard copy of the aforesaid financial statements may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.
12. For any query / problem / information, the investors may contact the Shares Registrar: Mr. Muhammad Akbar Moghal, Phone No. 042-35839182, 35916714, 35916719, e-mail address: corplink786@gmail.com and / or the Company: Mr. Tahir Maqsood, Phone No. 042-35751990, email address: shareholders@servis.com

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on April 26, 2024.

Item No. 4 of the Agenda – Renewal of investment in the form of working capital loan up to PKR 4.5 Billion (Rupees Four Billion Five Hundred Million Only) in Service Industries Limited, a holding / associated company

The members of Service Global Footwear Limited (SGFL) in their Annual General Meeting held on April 28, 2023 had renewed the investment in the form of working capital loan of up to PKR 4.5 Billion (Rupees Four Billion Five Hundred Million Only) in Service Industries Limited (SIL), a holding / associated company, as and when required by SIL, for a further period of one year till June 30, 2024 pursuant to the requirements of Section 199 of the Companies Act, 2017 at markup rate of 1 month KIBOR plus 5 bps, which shall not be less than the borrowing cost of the Company to be charged by SGFL on the amount of loan outstanding. Nil amount of working capital loan is outstanding against this investment as on April 01, 2024.

The tenor of the working capital loan will be expiring on June 30, 2024. It is now proposed to renew the investment in the form of working capital loan of up to PKR 4.5 Billion for a further period of one year till June 30, 2025. All other terms and conditions of the investment will remain unchanged. The renewal of the working capital loan facility is subject to approval of the shareholders of SGFL in accordance with the requirements of Section 199 of the Companies Act, 2017.

Regulation No. 5(7) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 issued by SECP vide SRO 1240(I)/2017 dated December 06, 2017 requires that the Company shall not extend to an associated company or associated undertaking any loan or advance as running finance, revolving line of credit or any other similar facility for a period beyond one year provided that members may approve renewal of such loan or advance pursuant to section 199 of the Act. Further, Section 199(4) of the Companies Act, 2017 requires that no change in nature and terms and conditions of the investment shall be made except under the authority of a special resolution.



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

Accordingly, renewal of the working capital loan to Service Industries Limited is being presented to the members for approval through passing of special resolution to fulfill the requirements of the afore-mentioned law and regulations.

The Board of Directors of SGFL in their meeting held on February 21, 2024 has recommended the renewal of working capital loan of up to PKR 4.5 Billion for a further period of one year till June 30, 2025 subject to approval of special resolution by the shareholders.

None of the Directors, sponsors, majority shareholders of the Company and their relatives have any interest, directly or indirectly, in the proposed special resolution, except as stated below:

Service Global Footwear Limited do not hold any share in Service Industries Limited.

Mr. Arif Saeed, Mr. Omar Saeed and Mr. Hassan Javed Directors of the Company, are also Directors of SIL.

Following are their present shareholdings in SIL:

Name of Director	Shareholding
Mr. Arif Saeed and his spouse	5,136,666
Mr. Omar Saeed	4,765,824
Mr. Hassan Javed	9,064,524

Service Industries Limited (SIL), a holding / associated company, currently holds 79.43% shareholding in Service Global Footwear Limited. The shareholding of the Directors of Service Global Footwear Limited is as follows:

Name of Director	Shareholding
Chaudhry Ahmed Javed	1
Mr. Arif Saeed	782,001
Mr. Omar Saeed	1,455,501
Mr. Hassan Javed	1
Mr. Azmat Ali Ranjha	1
Mr. Abdul Rashid Lone	1
Ms. Maleeha Humayun Bangash	1
Mr. Hassan Ehsan Cheema	400,001
Mr. Qadeer Ahmed Vaseer	300,001

The Service Global Footwear Limited (SGFL) and its sponsors and directors have no interest, directly or indirectly in the Company except as stated above.



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

The following resolutions are proposed to be passed as special resolutions, with or without any modification.

“Resolved that pursuant to the requirements of Section 199 of the Companies Act, 2017, approval of the members of Service Global Footwear Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized to renew the investment of up to PKR 4.5 Billion (Rupees Four Billion Five Hundred Million) in the form of working capital loan in Service Industries Limited, a holding / associated company, approved by the shareholders vide special resolution dated April 28, 2023 and expiring on June 30, 2024, for a further period of one year till June 30, 2025 with all other terms and conditions of the investment to remain unchanged.

Further resolved that Mr. Hassan Javed, Chief Executive Officer and / or Mr. Arif Saeed, and / or Mr. Omar Saeed, Directors of the Company be and is hereby singly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, deeds and things, that may be considered necessary or necessary for the purpose of implementing this resolution.”

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Service Long March Tyres (Private) Limited (SLM)	Service Industries Limited (SIL)
Total Investment Approved	<p>Long Term equity investment of Rs. 2,175,215,000 for purchase of 217,521,500 shares was approved by the shareholders in the EOGM held on December 30, 2020. Subsequently, the shareholders in the EOGM held on April 28, 2022 enhanced the Long term equity investment by Rs. 350,000,000 from Rs. 2,175,215,000 to upto Rs. 2,525,215,000 for purchase of 35,000,000 shares.</p> <p>The shareholders in the EOGM held on January 22, 2024 approved further long term equity investment of up to Rs. 1,500,000,000 for purchase of 150,000,000 shares.</p>	<ul style="list-style-type: none">- Working capital loan of up to Rs. 4.5 Billion for a period of one year till June 30, 2024.- Long-term loan of Rs. 2.5 Billion for a period of six years till June 30, 2027.
Amount of Investment made to date	<p>An investment of Rs. 2,709,717,040 has been made so far by the Company by acquiring 270,971,704 shares in SLM.</p>	<ul style="list-style-type: none">- No working capital loan is outstanding as of today.- Investment made in the form of Long-term loan amounting to Rs. 350 Million for a period of six years till June 30, 2027.
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in a specified time	<p>No deviation. The validity of resolution for investment was five (5) years from January 22, 2024.</p>	<p>No deviation. The investment in working capital loan and long term loan will be made as and when funds are required by the associated company.</p>



SERVICE GLOBAL FOOTWEAR LIMITED

Servis House, 2-Main Gulberg, Lahore

Material change in financial statements of associated company or associated undertaking since the date of the resolution passed for approval of investment in such company	<p>The associated company has since commenced the commercial operations and earned profit after tax of Rs. 2.51 Billion during the twelve months from January 01, 2023 to December 31, 2023, against loss after tax of Rs. 1.18 Billion for same period last year. EPS stood at Rs. 0.20 for the twelve months ended December 31, 2023. SLM is presently operating at full capacity.</p> <p>As per latest audited financial statements for the year ended June 30, 2023 the balance sheet size is Rs. 31.54 Billion, Loss after tax is Rs. 547 Million and Loss per share is Rs. 0.44. As per audited financial statements for the year ended June 30, 2022 the balance sheet size was Rs. 26.79 Billion, Loss after tax was Rs. 334 Million and Loss per share was Rs. 0.38.</p>	<p>There is no material change in the financial statements of the associated company since the date of passing of special resolution.</p> <p>As per latest audited financial statements for the year ended December 31, 2023 the balance sheet size is Rs. 44.43 Billion, Profit after tax is Rs. 1.34 Billion and Earnings per share is Rs. 28.56. As per audited financial statements for the year ended December 31, 2020 the balance sheet size was Rs. 24.45 Billion, Profit after tax was Rs. 690 Million and Earnings per share was Rs. 29.37.</p>
---	---	---

Information under Regulation 3(4) of the Regulations:

The documents relating to special business can be inspected by the shareholders in the general meeting as provided under Regulation 3(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.