



Notice of the
Extraordinary
General Meeting

The Hub Power Company Ltd.

11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi, Pakistan

T +92 21 3587 4677-86, 3583 9018 F +92 21 3587 0397

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of The Hub Power Company Limited (the "**Company**") will be held on **Tuesday, March 31, 2020 at 10:00 am at Marriott Hotel, Karachi** to transact the following business:

SPECIAL BUSINESS:**1. Approval for Sponsor Support for 330MW mine-mouth Coal Power Plant (ThalNova Power Thar (Pvt.) Limited).**

To consider and if thought appropriate, to pass with or without modification, the following resolutions as special resolutions:

a. Initial Debt Service Reserve Account ("DSRA") and DSRA LC ("DSRA Letter of Credit")

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199, to authorize the Company to issue a sponsor Standby Letter of Credit to cover for the Initial Debt Service Reserve Account shortfall, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as explained in the Statement of Compliance annexed herewith. Such SBLC shall be for a period up till the first payment of the instalment of the loan or such other date that may be prescribed under the Sponsor Support Agreement.

FURTHER RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199, to authorize the Company to issue a Sponsor Standby Letter of Credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as explained in the Statement of Compliance annexed herewith. Such Sponsor obligation shall be for a period of the tenure of the project loan or such other date as may be prescribed under the Sponsor Support Agreement.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Standby Letter of Credit from banks/ financial institution(s); provide security as required by Lenders on such terms and conditions as may be deemed appropriate for the issuance of Standby Letter of Credit and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law."

b. Additional Sponsor Support

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199, the Company is hereby authorized to provide an additional sponsor support for the benefit of ThalNova Power Thar (Pvt.) Limited and Intercreditor Agent for an aggregate amount of up to USD 8 Million (or PKR equivalent) to guarantee an investment in the form of equity and/or subordinated debt to cover for funding shortfall that may arise due to unavailability of coal and/or delay in the commercial operations date. Such 'investment' shall be valid till September 2022 or such other date as may be required under the Sponsor Support Agreement, whichever is later.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to enter into any amendment to the Sponsor Support Agreement (including but not limited to a Supplemental Sponsor Agreement) and to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, or required by law.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to negotiate and provide security to arrange additional sponsor support from financial institutions or banks on such terms and conditions as may be deemed appropriate (including but not limited to creation of charge, or hypothecation for the additional sponsor support amount with appropriate margin over (movable and immovable) assets of the Company) and for the said purpose of or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, or required by law."

2. Approval for Additional Sponsor Support for 330MW mine-mouth Coal Power Plant (Thar Energy Limited)

To consider and if thought appropriate, to pass with or without modification, the following resolutions as special resolutions:

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199, to authorize the Company to provide an additional sponsor support for the benefit of TEL and Intercreditor Agent for an aggregate amount of up to USD 12 Million (or PKR equivalent) to guarantee an investment in the form of equity and/or subordinated debt to cover for funding shortfall that may arise due to unavailability of coal and/or delay in the commercial operations date. Such 'investment' shall be valid till June 2022 or such other date as may be required under the Sponsor Support Agreement, whichever is later.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to enter into any amendment to the Sponsor Support Agreement (including but not limited to a Supplemental Sponsor Agreement) and to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, or required by law.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary, acting jointly or severally are authorized to negotiate and provide security to arrange additional sponsor support from financial institutions or banks on such terms and conditions as may be deemed appropriate (including but not limited to creation of charge, or hypothecation for the additional sponsor support amount with appropriate margin over (movable and immovable) assets of the Company) and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders, or required by law."

OTHER BUSINESS

1. To transact any other business with the permission of the Chairperson

Date: February 25, 2020
Karachi



Shaharyar Nashat
Company Secretary

Notes:

The Share Transfer Books of the Company will remain closed from Tuesday, March 24, 2020 to Tuesday, March 31, 2020 (both days included).

- (i) A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A Proxy need not be a member of the Company.
- (ii) Duly completed forms of proxy must be deposited with the Company Secretary at the Head Office of the Company no later than 48 hours before the time appointed for the meeting.
- (iii) In pursuance to Circular No. 10 of 2014 dated May 21, 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 7 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Extraordinary General Meeting along with complete information necessary to enable them to access the facility. In order to avail this facility please provide the following information to our share registrar:

I/We, _____ of _____ being a member of The Hub Power Company Limited, holder of _____ Ordinary Shares as per Register Folio No. _____ hereby opt for video conference facility at _____

Signature of Member

CDC account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A For attending the Meeting:

- (i) In case of individuals, the account holders or sub account holders whose registration details are uploaded as per the Regulations, shall authenticate his/her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- (ii) In case of a corporate entity, the Board of Directors' 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

- (i) In case of individuals, the account holder or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- (ii) Attested copies of valid CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- (iii) The proxy shall produce his original valid CNIC or original passport at the time of the meeting.
- (iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- (v) Proxy form must be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the forms.

STATEMENT PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

Pursuant to Section 134 (3) of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the Extraordinary General Meeting of The Hub Power Company Limited (the "Company") to be held on Tuesday, March 31, 2020.

1. Approval for Sponsor Support for 330MW mine-mouth Coal Power Plant (ThalNova Power Thar (Pvt.) Limited).

ThalNova Power Thar (Pvt) Limited ("TN") was incorporated in Pakistan on April 18, 2016 as a private limited company under the repealed Companies Ordinance, 1984. The principal operation of TN is to generate power from coal by establishing a 330MW Gross Thar Lignite Coal-based mine mouth Power Plant ("the Project") at Thar Block II, Sindh.

The Project will be set as an Independent Power Producer ("IPP") on Build Own Operate ("BOO") basis under the Government of Pakistan ("GOP") Power Generation Policy 2015. The Project is part of the China Pakistan Economic Corridor ("CPEC") hence it is entitled to the same security package as already offered to all CPEC IPP Companies in Pakistan.

The Company has entered into a Shares Subscription Agreement ("SSA") on October 27, 2018 with Thal Power (Private) Limited ("Thal"), Nova Powergen Limited ("Nova"), Hub Power Holdings Limited ("HPHL") and TN and has also entered into a Novation to The Shareholders Agreement between Thal Power (Private) Limited, Nova PowerGen Limited, Hub Power Holdings and CMEC ThalNova Power Investments Limited (collectively hereinafter the "SHAs") provide for investment in equity of TN by each of the shareholders such that the shares of TN will be distributed as follows:

HPHL: 38.3%

Thal: 26%

Nova: 24.7%

CMEC Thalnova Power Investments Limited: 10%

Descon Engineering Limited: 1%

The Project Company has been granted a generation license by NEPRA for the Project on February 1, 2017. Letter of Support ("LOS") for the Project has been issued by Private Power and Infrastructure Board ("PPIB") on December 8, 2016. The Project has received an extension to the LOS till April 30, 2020.

TN has already commenced construction of the Projection on 12th March 2019 by providing Limited Notice To Proceed ("LNTP").

As a condition precedent to the availability of finance facilities for the development of the Project, the lenders of TN require the Company to enter into a amended sponsor support agreement ("SSA"). Under the SSA several guarantees, undertakings and commitments are required from the Sponsors for which shareholders' approval is being sought.

1. Undertaking to provide Initial Debt Service Reserve Account ("DSRA"), if DSRA shortfall exists up to the amount of USD 14 million and Standby letter of credit in an amount not exceeding USD 14 million ("DRSA LC");
2. Additional Sponsor Support in an amount of up to USD 8 million;

a. Debt Service Reserve Account ("DSRA") Support

Support from the Sponsors is required in the form of Standby Letter of Credit ("SBLC") for an amount not exceeding the PKR equivalent of USD 14 million in TN, but which could be higher as explained in the Statement of Compliance annexed herewith, either in the form of investment in equity or by way of debt/loan if there is a shortfall in DSRA or the project completion date of TN has not been achieved for the purpose of repaying outstanding obligations owed by TN to its lenders, including any financing costs (the "Initial DSRA Support"), and to create security on the assets of the Company as may be required by the relevant lenders that will issue the requisite letter(s) of credit.

b. Additional Sponsor Support

The Company is required by the lenders of TN to provide an additional sponsor support for the benefit of ThalNova Power Thar (Pvt.) Limited and Intercreditor Agent for an Company for an aggregate amount of up to USD 8 Million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover for funding shortfall that may arise due to unavailability of coal. Such 'investment' shall be valid till September 2022 or such other date as may be required under the Sponsor Support Agreement, whichever is later.

As per the requirements of Section 134(3) of the Companies Act, 2017, the amended Sponsor Support Agreement will be available for inspection at the registered office i.e. 11th Floor, Ocean Tower, Main Clifton Road, Block 9, Clifton, Karachi of the Company on working days between normal business hours.

Information pursuant to the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations").

1. Approval for Sponsor Support for 330MW mine-mouth Coal Power Plant (ThalNova Power Thar (Pvt.) Limited).
(A) DSRA SUPPORT

Investment in TN of an amount not exceeding USD 14 Million for Initial DSRA and USD 14 Million for Final DSRA (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN").										
Basis of relationship;	The Company (through its subsidiary HPHL) holds 38.3% of the total issued shares of TN. Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN. Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.										
Earnings per share for the last three years;	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>2019</td> <td>0.08</td> </tr> <tr> <td>2018</td> <td>(0.28)</td> </tr> <tr> <td>2017</td> <td>(0.80)</td> </tr> </table>	2019	0.08	2018	(0.28)	2017	(0.80)				
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2018	(0.28)										
2017	(0.80)										
Break-up value per share, based on latest audited financial statements;	Rs. 28.08 per share as of June 2019.										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>Position as of June 30, 2019</td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">6,843,711</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">6,678,278</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">165,432</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">40,168</td> </tr> </table>	Position as of June 30, 2019	In '000'	Total Assets	6,843,711	Equity	6,678,278	Current Liabilities	165,432	Loss for the year	40,168
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In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:-											
I. Description of the project and its history since conceptualization; II. Starting date and expected date of completion of work; III. Time by which such project shall become commercially operational; IV. Expected time by which the project shall start paying return on investment; and V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	I. Please see preamble above for project description II. Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by mid of January 2022 III. The Project is expected to achieve Commercial Operations Date around mid of January 2022 IV. The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval. V. Non-Funded: Contractual commitment to provide Initial DSRA SBLC of USD 14 Million; and obligation to provide final DSRA SBLC of USD 14 Million										
Maximum amount of investment to be made;	Initial DSRA SBLC USD 14 Million (or in equivalent Pakistan Rupees) and final DSRA SBLC USD 14 Million (in equivalent Pakistan Rupees)										

<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>I. justification for investment through borrowings;</p> <p>II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>III. cost benefit analysis;</p>	<p>I. The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>II. Securities and collaterals as required by the Lenders from time to time.</p> <p>III. Project is anticipated to offer an IRR of 20% in USD following COD.</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
<p>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;</p>	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/ justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by Mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
<p>Any other important details necessary for the members to understand the transaction;</p>	<p>N/A</p>

(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 38.3% (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10/- per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10/- per share.</p>

(A) DSRA SUPPORT

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided						
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN").						
Basis of relationship;	The Company (through its subsidiary HPHL) holds 38.3% shares.						
	<p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>						
Earnings per share for the last three years;	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>2019</td> <td>0.08</td> </tr> <tr> <td>2018</td> <td>(0.28)</td> </tr> <tr> <td>2017</td> <td>(0.80)</td> </tr> </table>	2019	0.08	2018	(0.28)	2017	(0.80)
2019	0.08						
2018	(0.28)						
2017	(0.80)						
Break-up value per share, based on latest audited financial statements;	Rs. 28.08 per share as of June 2019						

Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Position as of June 30, 2019</td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">6,843,711</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">6,678,278</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">165,432</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">40,168</td> </tr> </table>	Position as of June 30, 2019	In '000'	Total Assets	6,843,711	Equity	6,678,278	Current Liabilities	165,432	Loss for the year	40,168
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<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:-</p> <ol style="list-style-type: none"> I. Description of the project and its history since conceptualization; II. Starting date and expected date of completion of work; III. Time by which such project shall become commercially operational; IV. Expected time by which the project shall start paying return on investment; and V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts; 	<ol style="list-style-type: none"> I. Please see preamble above for project description II. Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by mid of January 2022 III. The Project is expected to achieve Commercial Operations Date around mid of January 2022 IV. The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval. V. Non-Funded: Contractual commitment to provide Initial DSRA SBLC of USD 14 Million; and obligation to provide final DSRA SBLC of USD 14 Million 										
Maximum amount of investment to be made;	Initial DSRA SBLC USD 14 Million (or in equivalent Pakistan Rupees) and final DSRA SBLC USD 14 Million (in equivalent Pakistan Rupees).										
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer, an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>										
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:- <ol style="list-style-type: none"> I. justification for investment through borrowings; II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and III. cost benefit analysis; 	<ol style="list-style-type: none"> I. The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders II. Securities and collaterals as required by the Lenders from time to time. III. Project is anticipated to offer an IRR of 20% in USD following COD. 										
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Equity investment equivalent to 38.3% of the total issued shares of TN.										

	<p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
<p>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;</p>	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
<p>Any other important details necessary for the members to understand the transaction;</p>	<p>The SHAs would be available for inspection of members.</p>

(b) Disclosures under Regulation 3(c)

<p>Category-wise amount of investment;</p>	<p>As mentioned above in preamble.</p>
<p>Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and</p>	<p>Facility arrangement fees as charged by respective banks.</p>
<p>Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company</p>	<p>In the event any amount is invested as a loan the Company shall require TN to pay interest at the standard bank rates, to be mutually agreed between the parties.</p>
<p>Particulars of collateral or security to be obtained in relation to the proposed investment;</p>	<p>No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TN.</p>
<p>If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;</p>	<p>N/A</p>
<p>Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking</p>	<p>Any amount paid as loan to TN pursuant to Performance Guarantee shall be marked as subordinated debt to the TN project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TN.</p> <p>Since it is a non-funded obligation, there is no repayment schedule.</p>

(B) ADDITIONAL SPONSOR SUPPORT

Investment in an amount not exceeding USD 8 Million (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures required under Regulation 3(a)

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN")										
Basis of relationship;	The Company (through its subsidiary HPHL) holds 38.3% shares. Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN. Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.										
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Break-up value per share, based on latest audited financial statements;	Rs. 28.08 per share as of June 2018										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>Position as of June 30, 2019</td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">6,843,711</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">6,678,278</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">165,432</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">40,168</td> </tr> </table>	Position as of June 30, 2019	In '000'	Total Assets	6,843,711	Equity	6,678,278	Current Liabilities	165,432	Loss for the year	40,168
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Maximum amount of investment to be made;	USD 8 Million (in equivalent Pakistan Rupees)										
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid										

	<p>of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>I. justification for investment through borrowings;</p> <p>II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>III. cost benefit analysis;</p>	<p>I. The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>II. Securities and collaterals as required by the Lenders from time to time.</p> <p>III. Project is anticipated to offer an IRR of 20% in USD following COD</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 38.3% of the total issued shares of TN</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company directly or through its subsidiary HPHL holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
<p>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;</p>	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/ justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
<p>Any other important details necessary for the members to understand the transaction;</p>	<p>N/A</p>

(b) Disclosures required under Regulation 3(b):

Maximum price at which securities will be acquired	Rs. 10/- per share or such other rate as may be decided by the board of directors of TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 38.3% (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10/- per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10/- per share.</p>

(B) ADDITIONAL SPONSOR SUPPORT

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN").										
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 38.3% shares.</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years;	<table style="margin-left: auto; margin-right: auto;"> <tr> <td>2019</td> <td>0.08</td> </tr> <tr> <td>2018</td> <td>(0.28)</td> </tr> <tr> <td>2017</td> <td>(0.80)</td> </tr> </table>	2019	0.08	2018	(0.28)	2017	(0.80)				
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Break-up value per share, based on latest audited financial statements;	Rs. 28.08 per share as of June 2019										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Position as of June 30, 2019</td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">6,843,711</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">6,678,278</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">165,432</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">40,168</td> </tr> </table>	Position as of June 30, 2019	In '000'	Total Assets	6,843,711	Equity	6,678,278	Current Liabilities	165,432	Loss for the year	40,168
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<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:-</p> <ol style="list-style-type: none"> I. Description of the project and its history since conceptualization; II. Starting date and expected date of completion of work; III. Time by which such project shall become commercially operational; IV. Expected time by which the project shall start paying return on investment; and V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts; 	<ol style="list-style-type: none"> I. Please see preamble above for project description II. Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by mid of January 2022 III. The Project is expected to achieve Commercial Operations Date around mid of January 2022 IV. The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval. V. Non-Funded: Sponsor support contribution LC of USD 8 Million
<p>Maximum amount of investment to be made;</p>	<p>USD 8 Million (in equivalent Pakistan Rupees)</p>
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <ol style="list-style-type: none"> I. justification for investment through borrowings; II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and III. cost benefit analysis; 	<ol style="list-style-type: none"> I. The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders II. Securities and collaterals as required by the Lenders from time to time. III. Project is anticipated to offer an IRR of 20% in USD following COD.
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>

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;	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	N/A

(b) Disclosures under Regulation 3(c)

Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	Facility arrangement fees as charged by respective banks.
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	In the event any amount is invested as a loan the Company shall require TN to pay interest at the standard bank rates, to be mutually agreed between the parties.
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TN.
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	<p>Any amount paid as loan to TN pursuant to Performance Guarantee shall be marked as subordinated debt to the TN project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TN.</p> <p>Since it is a non-funded obligation, there is no repayment schedule</p>

2. Approval for Additional Sponsor Support for 330MW mine-mouth Coal Power Plant (Thar Energy Limited)

TEL was incorporated in Pakistan on May 17, 2016 as a wholly owned subsidiary of the Company under the repealed Companies Ordinance, 1984. The principal activities of TEL are to develop, own, operate and maintain a 330 MW mine-mouth coal fired power plant to be established at Thar Block II, Thar Coal Mine, Sindh ("**Project**").

TEL has received contractual commitment from Sindh Engro Coal Mining Company Limited ("**SECMC**") for mining of coal in Thar Block II (Phase II) for supply of 1.9 million ton per annum of Thar Lignite coal for sustainable operations of the Thar Plant.

The Company has entered into the Shareholders' Agreement on March 15, 2018 with Fauji Fertilizer Company Limited ("**FFC**"), CMEC TEL Power Investments Limited ("**CMEC Dubai**") as shareholder and China Everbest Development International Limited ("**CMEC HK**") as Sponsor. The Shareholders' Agreement provides for investment in equity of TEL by each of the shareholders such that the shares of TEL will be distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%. The Company, FFC and CMEC HK would be collectively referred as ("**Sponsors**").

TEL has completed ~54% of Project Construction and targets to achieve COD by the end of March 2021. The Company has engaged China Development Bank (CDB) as the lead arranger for the foreign financing from China and Habib Bank Limited (HBL) as the lead arranger for the local financing. The PPIB announced the Financial Close in Jan 2020

As a condition precedent to the availability of finance facilities for the development of the Project, the lenders of TEL require the Company to enter into a amended sponsor support agreement ("**SSA**"). Under the SSA several guarantees, undertakings and commitments are required from the Sponsors for which shareholders' approval is being sought.

1. Additional Sponsor Support in an amount of USD 12 million;

a. Additional Sponsor Support

The Company is required by the lenders of TEL to provide an additional sponsor support for the benefit of TEL and Intercreditor Agent for an Company for an aggregate amount of up to USD 12 Million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover for funding shortfall that may arise due to unavailability of coal. Such 'investment' shall be valid till June 2022 or such other date as may be required under the Sponsor Support Agreement, whichever is later.

As per the requirements of Section 134(3) of the Companies Act, 2017, the amended Sponsor Support Agreement will be available for inspection at the registered office i.e. 11th Floor, Ocean Tower, Main Clifton Road, Block 9, Clifton, Karachi of the Company on working days between normal business hours.

Information pursuant to the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations").

2. Approval for Additional Sponsor Support for 330MW mine-mouth Coal Power Plant (Thar Energy Limited)

(A) ADDITIONAL SPONSOR SUPPORT

Investment in an amount not exceeding USD 12 Million (USD Twelve Million) (or PKR equivalent)

(i) investment in the form of equity

(a) Disclosures required under Regulation 3(a)

Information Required	Information Provided						
Name of the "associated company"	Thar Energy Limited (TEL)						
Basis of relationship;	The Company holds 60% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO and Executive Director of the Company is also on the Board of TEL.						
Earnings per share for the last three years;	<table> <tr> <td>2019</td> <td>0.07</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </table>	2019	0.07	2018	(0.17)	2017	(2.27)
2019	0.07						
2018	(0.17)						
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Break-up value per share, based on latest audited financial statements;	Rs. 9.91 per share as of June 2019										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table border="0"> <tr> <td>Position as of June 30, 2019</td> <td style="text-align: right;">In '000'</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">21,536,553</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">9,214,214</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">12,322,339</td> </tr> <tr> <td>Loss for the year</td> <td style="text-align: right;">66,501</td> </tr> </table>	Position as of June 30, 2019	In '000'	Total Assets	21,536,553	Equity	9,214,214	Current Liabilities	12,322,339	Loss for the year	66,501
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Maximum amount of investment to be made;	USD 12 Million (in equivalent Pakistan Rupees)										
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about USD 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>										
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<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 60% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
<p>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;</p>	<p>Mr. Khalid Mansoor, CEO and Executive Director of the Company is also on the Board of TEL.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
<p>Any other important details necessary for the members to understand the transaction;</p>	<p>N/A</p>

(b) Disclosures required under Regulation 3(b):

<p>Maximum price at which securities will be acquired</p>	<p>Rs. 10/- per share or such other rate as may be decided by the board of directors of TEL</p>
<p>In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof</p>	<p>N/A</p>
<p>Maximum number of securities to be acquired</p>	<p>Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TEL</p>
<p>Number of securities and percentage thereof held before and after the proposed investment</p>	<p>Present holding – 60% (equivalent PKR).</p>
<p>Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and</p>	<p>N/A</p>

Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TEL is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time. PKR 10/- per share is the par value of the share and the latest offer price of TELs' shares. The Company, CMEC and FFC shall subscribe to shares of TEL at PKR 10/- per share.
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(B) ADDITIONAL SPONSOR SUPPORT

(ii) investment in the form of subordinated debt

(a) Disclosures under Regulation 3(a)

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Name of the "associated company"	Thar Energy Limited (TEL)										
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Maximum amount of investment to be made;	USD 12 Million (in equivalent Pakistan Rupees)										

<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about USD 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>I. justification for investment through borrowings;</p> <p>II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>III. cost benefit analysis;</p>	<p>I. The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>II. Pari-passu charge on all the present and future fixed assets of the Company</p> <p>III. Project is anticipated to offer an IRR of 20% in USD following COD</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 60% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>The Sponsor Support Agreement is under negotiation with the lenders of TEL and would be executed prior to the financial close of the Project (TEL)</p>
<p>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;</p>	<p>Mr. Khalid Mansoor, CEO and Executive Director of the Company is also on the Board of TEL.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/ justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p>

	No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.
Any other important details necessary for the members to understand the transaction;	N/A

(b) Disclosures under Regulation 3(c):

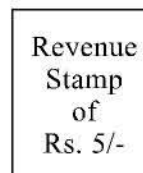
Category-wise amount of investment;	As mentioned above in preamble
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and	N/A
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	<p>The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.</p> <p>In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties</p>
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount paid as loan to TEL or its lenders pursuant to the Sponsor Support LC shall be marked as debt subordinated to that of TEL's Lenders and assignable to TEL's Lenders which shall be repayable after the repayment of amounts due to the Lenders of TEL

PROXY FORM

The Company Secretary,

I/We _____ of _____
being a member of THE HUB POWER COMPANY LIMITED and holder of _____ Ordinary
Shares as per the Share Register Folio No. _____ and/or CDC Participant ID No.
_____ and Account / Sub-Account No. _____ hereby appoint _____
of _____ or failing him/her _____ as my/our proxy for me &
on my/our behalf at the Extraordinary General Meeting of the Company to be held on Tuesday, March 31, 2020 at
10:00 am at Marriott Hotel, Abdullah Haroon Road, Karachi.

Dated _____ 2020



Signature of Shareholder
Folio / CDC No.

Witness:

1. Signature _____
Name _____
Address _____

CNIC or _____
Passport No. _____

Witness:

2. Signature _____
Name _____
Address _____

CNIC or _____
Passport No. _____

Notes:

- A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A Proxy need not be a member of the Company.
- If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, The Hub Power Company Limited, Head Office at 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi-75600 so as to reach no less than 48 hours before the time appointed for holding the Meeting.
- **For CDC Account Holders / Corporate Entities**
In addition to the above, the following requirements have to be met:
 - (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
 - (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم

محترم کمپنی سیکریٹری،
 ڈی جی پاور کمپنی لمیٹڈ،
 11 فلور، اوٹین ٹاور، بلاک 9،
 مین کلنٹن روڈ، کراچی۔

میں / ہم _____ رکن _____ بحیثیت شیئر ہولڈر ڈی جی پاور کمپنی لمیٹڈ
 عمومی شیئرز کی تحویل رکھتا ہوں / رکھتے ہیں، بحوالہ شیئر رجسٹر فو لیو نمبر _____ اور ایسی ڈی سی شریک آئی ڈی نمبر _____
 اور اکاؤنٹ / ذیلی اکاؤنٹ نمبر _____ یا بصورت دیگر _____ شرکت نہ کرنے کی صورت میں
 محترم / محترمہ _____ رکن _____ کو بطور پراکسی ہولڈر غیر معمولی اجلاس
 عام اور اس کے کسی التوا تک میری رہماری جانب سے ووٹ دینے اور اجلاس میں شرکت کرنے کا اختیار دیتا ہوں۔ یہ اجلاس 31 مارچ، 2020 بروز منگل کو صبح 10 بجے
 بمقام میرٹ ہوٹل، عبداللہ ہارون روڈ، کراچی میں منعقد ہوگا۔

پانچ روپے والے
 ریونیو اسٹیپ
 پر دستخط کریں

بتاریخ _____ 2020

شیئر ہولڈر کے دستخط فو لیو ای ڈی سی نمبر

گواہ:

1- دستخط: _____
 نام: _____
 پتہ: _____
 سی این آئی سی / پاسپورٹ نمبر: _____

2- دستخط: _____
 نام: _____
 پتہ: _____
 سی این آئی سی / پاسپورٹ نمبر: _____

نوٹ:

- اجلاس ہذا میں شرکت کرنے والا ممبر اپنی جانب سے شرکت کے لیے کسی دوسرے فرد کو تحریری طور پر اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کا کمپنی کا ممبر ہونا ضروری نہیں۔
- اگر کوئی ممبر اجلاس ہذا میں شرکت نہیں کر سکتا تو وہ یہ فارم مکمل کر کے کمپنی سیکریٹری کو 11 فلور، اوٹین ٹاور، بلاک 9، مین کلنٹن روڈ، کراچی۔ 75600 پہنچا سکتا ہے جو کہ اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے پہنچ جانا چاہیے۔
- سی ڈی سی اکاؤنٹ ہولڈر / کارپوریٹ اداروں کے لیے مذکورہ بالا کے علاوہ، مندرجہ ذیل ضروریات کا پورا کرنا بھی ضروری ہے۔
 - (i) پراکسی فارم پر دو افراد کی جانب سے گواہی ہونی چاہیے۔ جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہو۔
 - (ii) بینیفیشیل اونرز اور پراکسی کے اصل کمیونیٹرائزڈ سی این آئی سی یا پاسپورٹ کی تصدیق شدہ فو ٹوکاپی پراکسی فارم کے ساتھ جمع کرانی ہوگی۔
 - (iii) پراکسی اپنا اصل سی این آئی سی یا پاسپورٹ اجلاس کے وقت پیش کریں گے۔
- کارپوریٹ ادارے کے صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی، نامزد فرد کے دستخط کے نمونے کے ہمراہ پراکسی فارم کے ساتھ جمع کرانے ہوں گے (اگر پہلے فراہم نہ کیے گئے ہوں)۔