

NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting (“AGM”) of the Company will be held on Tuesday, October 05, 2021 at 10:00 am via Video Conferencing to transact the following business:

A. ORDINARY BUSINESS

1. To receive and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditor's Reports thereon.
2. To approve and declare the final dividend of PKR 5.0 (50%) per share as recommended by the Board of Directors for the year ended June 30, 2021.
3. To appoint A.F.Ferguson & Co. , Chartered Accountants as Auditors of the Company and to fix their remuneration for the year ending June 30, 2022.
4. To elect 7 (Seven) Directors in accordance with the Companies Act, 2017 for a term of three years commencing from the date of holding of AGM i.e. October 05, 2021.

The following Directors of the Company will cease to hold office upon the election of a new Board of Directors:

- 1) Mr. M. Habibullah Khan
- 2) Mr. Aly Khan
- 3) Ms. Aleeya Khan
- 4) Mr. Muhammad Ali
- 5) Mr. Saad Iqbal
- 6) Mr. Manzoor Ahmed
- 7) Mr. Javed Akbar
- 8) Mr. Owais Shahid
- 9) Dr. Nadeem Inayat

B. SPECIAL BUSINESS

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

Completion Guarantee/ Standby Letter of Credit:

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

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act 2017 to extend the term of the guarantee (in the form of standby letter of credit) for a maximum period of 3 years provided to the lenders of CPHGC for an aggregate amount of USD 150 million to guarantee an investment in the form of equity or subordinated debt (either directly or through HPHL) to (a) satisfy the funding shortfall, if any, in CPHGC to achieve completion of the Project to the satisfaction of the lenders; and (b) repay all principal, interest, fees or any other amounts that may fall due by CPHGC under the finance documents to the finance parties.”

“FURTHER RESOLVED THAT, subject to Shareholders' approval, the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary, acting jointly or severally are authorized to negotiate and to do all acts necessary to procure the guarantee (in the form of standby letter of credit) from banks/ financial institution(s).”

C. OTHER BUSINESS

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

By Order of the Board

Date: August 30, 2021
Place: Karachi

Faiza Kapadia Raffay
Company Secretary

NOTES:

- i. All members are entitled to attend and vote at Meeting.
- ii. The Share Transfer Books of the Company will remain closed from Saturday, September 25, 2021 to Tuesday, October 05, 2021 (both days included) and the final dividend will be paid to the shareholders whose names appear in the Register of Members on September 24, 2021.
- iii. In view of the prevailing & worsening situation and ensuring the health safety of our shareholder due to pandemic COVID-19 and in line with the direction issued to listed companies by the Securities & Exchange Commission of Pakistan, vide its Circular No.4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the Company intends to convene this AGM virtually via video conference facility while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

The special arrangement for attending the AGM through electronic means will be as under:

- a) AGM will be held through Zoom application via a video link facility.
- b) Shareholders/Proxyholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by sending an e-mail with subject: "Registration for AGM" at the earliest but not later than Friday, October 01, 2021 on E-mail: hubco.cg@hubpower.com along with a valid copy of both sides of CNIC.

Shareholders/Proxyholders are advised to mention their Name, Folio/CDC Account Number, CNIC Number and cell number.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their email address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphones / computer devices.

Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on above email.

- iv. The term of the office of the present Board of Directors of the Company will expire on October 04, 2021. In terms of Section 159(1) of the Companies Act, 2017 ("Act") the Board of Directors in its meeting held on August 30, 2021 has fixed the number of elected Directors at 7 (Seven) to be elected in the AGM of the Company for the period of next three years.

Any person who seeks to contest the election to the office of a director, whether the retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi, not later than 14 days before the date of AGM.

- a) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3) of the Act;
- b) Consent to act as Director in Form-28, as prescribed under the Companies (General Provisions and Forms) Regulation, 2018;
- c) A detail profile along with his/her office address as required under SECP' SRO 634(1)2014 dated July 10, 2014;
- d) Declaration in respect of being compliant with the requirement of the Listed Companies (Code of Corporate Governance) Regulations 2019 and the eligibility criteria, as set out in Section 153 of the Act to act as director or an independent director of a listed company;
- e) A director must be holding 1 qualification share of the Company at the time of filing of his / her consent to act as director. The aforesaid qualification shall not be applicable for instances mentioned in Section 153(i) of the Act;
- f) Attested copy of valid CNIC and NTN;
- g) Independent director(s) will be elected through the process of election of director in terms of section 159 of the Act and he/she shall meet the criteria laid down in Section 166 of the Act, the Companies (Manner and Selection of Independent Directors) Regulations 2018 and Guide Book on Corporate Governance and Frequently Asked Question June 5, 2020, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:
 - Declaration by independent director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019;
 - Undertaking on non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018;

The Final list of contesting directors will be circulated no later than seven days before the date of said meeting, in term of section 159 (4). Further, the website of the Company will be updated with the required information.

- v. A member entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking, and voting at the meeting as are available to a member.
- vi. Form of Proxy is attached in the Annual report, which is also available on the company's website (www.hubpower.com), the website of the Pakistan Stock Exchange and will be circulated via email to all shareholders who have provided their email address to the Company.
- vii. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi not later than 48 hours before the time of the meeting, excluding holidays i.e Friday 01, October 2021:
 - a) In case of individuals, the Account Holders of Sub-account Holders and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit their proxy forms as per the above-mentioned requirements.

- b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form;
 - c) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form;
 - d) 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.
- viii. Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Famco Associates (Pvt.) Ltd, 8F, Next to Hotel Faran, Nursery, Block 6, PECHS, Shakra-e-Faisal, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their Participants. This will assist in the prompt receipt of Dividend.
- ix. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors, where in case number of contestants are more than the number of directors to be elected, members will be allowed to exercise their right to vote through postal ballot, that is voting by post in accordance with the requirements and procedures contained in the aforesaid Regulation.
- x. Form of Proxy is enclosed.

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

Pursuant to Section 134 of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the AGM of the Company to be held on 05th October 2021.

Extension of Guarantee/ Standby Letter of Credit

The Company through its wholly-owned subsidiary, Hub Power Holdings Limited ("HPhL") and its Chinese partner, China Power International Holding Limited ("CPIH"), through its wholly owned subsidiary China Power International (Pakistan) Investment Limited ("CPIPL"), has formed a Joint Venture Company, China Power Hub Generation Company (Private) Limited ("CPHGC") in September, 2015. The principal activities of CPHGC are to develop, own, operate and maintain a 2x660 MW coal fired power plant each within one facility along with a jetty and ancillary facilities at the Hub Plant Site in the province of Balochistan Pakistan ("Project"). HPhL owns 47.5% shares in CPHGC of which 1.5% would be transferred to Government of Balochistan, as per the Memorandum of Understanding dated December 23 2016. As a condition precedent to making finance facilities available to CPHGC for the development of 2 x 660MW (gross) coal-fired power plant and related facilities in Hub, Balochistan Province, Pakistan, the Company had sought approval from its shareholders via its Extraordinary General Meeting held on May 25 2017 as required by the lenders of CPHGC to enter into a deed of completion guarantee and pursuant thereto a guarantee/standby letter credit for an aggregate amount of US\$150 million or equivalent PKR (the "Approved Limit") to guarantee an investment in the form of equity or subordinated debt (either directly or through HPhL) to (a) satisfy the funding shortfall, if any, in CPHGC to achieve completion of the Project to the satisfaction of the lenders; and (b) repay all principal, interest, fees or any other amounts that may fall due by CPHGC under the finance documents to the finance parties.

As the guarantee/standby letter of credit expires on November 23 2021, the Company requires approval from its shareholders to extend the standby letter of credit for a maximum period of 3 years. Accordingly, approval is being sought from the members of the Company for extension of the guarantee/standby letter of credit to the lenders of CPHGC for an amount not exceeding US\$150 million or equivalent PKR.

If the guarantee is called it would be booked by CPHGC either as equity or subordinated loan, subject to CPHGC Board and Lenders approval.

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

(a) Disclosures required under Regulations 3(a):

Information Required	Information Provided										
Name of the “associated company”	China Power Hub Generation Company (Private) Limited										
Basis of relationship;	The Company through its wholly owned subsidiary (“HPL”) owns 47.5% shares in the Joint Venture Company										
Earnings per share for the last three years;	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">2020</td> <td style="text-align: right;">6.29</td> </tr> <tr> <td>2019</td> <td style="text-align: right;">1.80</td> </tr> <tr> <td>2018</td> <td style="text-align: right;">(0.33)</td> </tr> </table>	2020	6.29	2019	1.80	2018	(0.33)				
2020	6.29										
2019	1.80										
2018	(0.33)										
Break-up value per share, based on latest audited financial statements;	PKR 6.29 per share as of December 31, 2020										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p style="text-align: right;">Position as of and for the year ended December 31, 2020 In ‘000’</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Assets</td> <td style="text-align: right;">365,047,359</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">103,605,945</td> </tr> <tr> <td>Liabilities</td> <td style="text-align: right;">261,441,414</td> </tr> <tr> <td>General and Administration Expenses</td> <td style="text-align: right;">2,851,894</td> </tr> <tr> <td>Profit for the Year</td> <td style="text-align: right;">35,115,897</td> </tr> </table>	Total Assets	365,047,359	Equity	103,605,945	Liabilities	261,441,414	General and Administration Expenses	2,851,894	Profit for the Year	35,115,897
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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> <p>(I) Description of the project and its history since conceptualization;</p> <p>(II) Starting date and expected date of completion of work;</p> <p>(III) Time by which such project shall become commercially operational;</p> <p>(IV) Expected time by which the project shall start paying return on investment; and</p> <p>(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>(I) Please see preamble above for project description.</p> <p>(II) Work has commenced on the Project since August 2016 and the Project achieved Commercial Operations Date (“COD”) on August 2019.</p> <p>(III) The Project has achieved Commercial Operations Date on August 2019.</p> <p>(IV) The Project shall start paying return on investment after it has achieved project completion date as required by the lenders.</p> <p>(V) As at June 30, 2021, the Company has invested USD 249 Million in CPHGC through HPL.</p>										

Maximum amount of investment to be made;	The maximum securities invested amount is USD 150 Million divided by par value of PKR 10 or at premium per share, as applicable.
Purpose and benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 1320 MW imported coal-based facility along with a jetty and ancillary facilities at the Site in the province of Balochistan Pakistan ('Project') at a total cost of about US\$ 2 Billion. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which offers a return of 27% in ROE terms over the life of the Project, following the COD.
Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	(I) The return from the investment would be greater than the mark-up that would be payable on the borrowing. (II) Pari passu charge on all fixed assets of the Company (III) Project is anticipated to offer an IRR of 17% in US\$ following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	No agreement has been entered into with CPHGC with regards to the proposed investment.
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;	The Company through HPHL currently owns 47.5% shares in the JV Company.
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;	All major project agreements, including Power Purchase Agreement, Implementation Agreement and Plant and Jetty EPC contracts have been signed. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which offers a return of 27% in ROE terms over the life of the Project, following the COD. 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 required under Regulation 3(b):

Maximum price at which securities will be acquired	PKR 10 per share or at premium, as applicable.
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	The maximum securities acquired is equivalent to USD 150 Million converted into PKR at the rate prevailing on the date of subscription divided by par value of PKR 10 or at premium per share, as applicable.
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 47.5% (equivalent PKR) through HPHL (1.5% of which to be transferred to GoB).
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;	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.

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

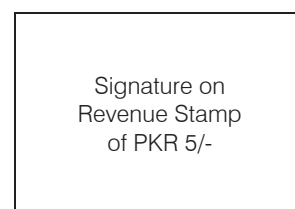
(a) Disclosures under Regulation 3(c)

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	~7%.
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee would be around 0.15% per quarter or any other charges as may be agreed with Bank providing the Guarantee. In the event the amount is invested as a loan the Company shall require CPHGC 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 CPHGC
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;	Any amount (other than equity investments) paid to CPHGC or its lenders pursuant to the letter of credit shall be marked as a subordinated debt which shall be repayable after the repayment of lenders entire loan.
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Any amount (other than equity investments) paid to CPHGC or its lenders pursuant to the letter of credit shall be marked as a subordinated debt which shall be repayable after the repayment of lenders entire loan.

PROXY FORM

The Company Secretary,
The Hub Power Company Limited
11th Floor, Ocean Tower, Block 9
Main Clifton Road
Karachi

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 30th Annual General Meeting of the Company to be held on Tuesday, October 05, 2021 at 10:00am via Video Conferencing.



Signature of Shareholder
Folio / CDC Nos.

Witnesses:

(1) Signature _____

(2) Signature _____

Name _____
Address _____

Name _____
Address _____

CNIC / Passport No. _____

CNIC / 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 of the meeting, excluding holidays i.e Friday 01, October 2021.
- **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.

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.



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The Company Secretary
The Hub Power Company Limited
11th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi – 75600

تشکیل نیابت داری

جناب کپنی سیکریٹری
دی حب پاور کمپنی لمیٹڈ
11 فلور، اوٹین ٹاور، بلاک 9، مین کلنٹن روڈ، کراچی

میں / ہم _____
ساکن _____ بحیثیت دی حب پاور کمپنی لمیٹڈ کے رکن و حامل
عام حصص برطانیہ شیئر رجسٹرڈ فولیو نمبر _____ اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر _____
اور ذیلی کھاتہ نمبر _____ محترم / محترمہ _____
ساکن _____ یا بصورت دیگر محترم / محترمہ _____
ساکن _____ کو اپنی جگہ بروز منگل مورخہ 5 اکتوبر 2021 بوقت 10:00 بجے صبح بذریعہ وڈیو لنک ہونے والے سالانہ
اجلاس عام میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:

ریونیوٹکٹ چسپاں کریں۔

(دستخط کپنی میں پہلے سے موجود
نمونہ کے مطابق ہونے چاہئے)

دستخط

(1) دستخط _____
نام _____
پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____

(2) دستخط _____
نام _____
پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____

نوٹ: نیابت داروں کے موثر ہونے کے لیے ضروری ہے کہ انکی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کپنی کو موصول ہو جائے۔
سی ڈی سی شیئر ہولڈرز اور ان کے نیابت داروں سے گزارش ہے کہ وہ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ فوٹوکاپی کپنی کو پیش کرنے سے قبل اس پر کسی فارم کے ساتھ منسلک کریں۔



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The Company Secretary
The Hub Power Company Limited
11th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi – 75600