

# NOTICE OF THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Company will be held on 24, October 2019 at 10:15 am at Marriott Hotel, Abdullah Haroon Road, Karachi 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, 2019 together with the Directors' and Auditor's Reports thereon.
2. To re-appoint A.F. Ferguson & Co. , Chartered Accountants as Auditors of the Company and to fix their remuneration for the year ending June 30, 2020.

## B. SPECIAL BUSINESSES

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

1. **Approval for Issuance of Letter of Support (LOS) Guarantee to Private Power & Infrastructure Board (PPIB) for Thar Energy Limited (TEL)**

"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 arrange and provide a bank guarantee to Private Power & Infrastructure Board ("PPIB") to cover the obligations of Thar Energy Limited ("TEL") to US\$ 1,980,000. The bank guarantee shall be for a period up till June 2020.

FURTHER RESOLVED that, subject to Shareholders' approval, the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, acting jointly or severally are authorized to procure finance facility(ies) from banks/ financial institution(s) for the issuance of Bank Guarantee to PPIB on such terms and conditions as may be deemed appropriate including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable or immovable) assets of the Company and for the said purposes execute agreements, security documents, confirmations, notices, filings

and certificates as may be agreed with the financiers, including any amendments thereto, or as required by law."

2. **Approval for execution of Sponsor Support Agreement for 330MW mine-mouth Coal Power Plant at Thar**

### a. EXECUTION OF SPONSOR SUPPORT AGREEMENT

"RESOLVED THAT the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary, acting jointly or severally, be and are hereby authorized to negotiate and execute the Sponsor Support Agreement, the agreements for provision of assignment of loans and undertaking for Working Capital and to do or cause to do all acts, deeds and things that may be necessary or required in connection therewith and to execute all necessary documentation related thereto, including any amendments thereto, as may be deemed appropriate and agreed with parties including TEL and its Sponsors, Shareholders and its Lenders.

### b. INVESTMENT IN TEL

"RESOLVED THAT that subject to Shareholder approval, the Company be and is hereby authorized to make "investments" in Thar Energy Limited ('TEL') up to an amount not exceeding USD 78 million (or PKR equivalent) by way of a subscription of shares at the rate of Rs. 10 per share plus premium, if any, finalized by the Board of TEL. Such investment shall be for a period up till December 2022 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to take all necessary actions to make the above investment and to acquire the shares of TEL."

### c. EQUITY SBLC

"RESOLVED THAT subject to Shareholder approval, the Company is hereby authorized to arrange and provide a Standby Letter of Credit to the Lenders

of TEL or TEL to cover for the equity investment of (and up to an amount not exceeding) USD 78 million (or PKR equivalent) to guarantee the subscription of equity. Such investment shall be for a period up till December 2022 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED that the CEO, CFO 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 on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit 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, including any amendments thereto, or required by law."

**d. WORKING CAPITAL**

"RESOLVED THAT subject to Shareholders' approval, the Company shall undertake to the Lenders of TEL to arrange and/or provide working capital financing to TEL equivalent to an aggregate amount of US\$ 36 million. Such 'investment' shall be for a period up till December 2034 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT subject to Shareholders' approval, the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and procure the Working Capital Financing from banks/ financial institution(s) (including Islamic financing institutions), if applicable; and provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the provision of the Working Capital Financing 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."

**e. ASSIGNMENT OF EQUITY SUBORDIANTED DEBT**

"RESOLVED THAT subject to Shareholders' approval, the Company is hereby authorized to assign its rights , benefits and interests in respect of any investment made in TEL by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TEL) including the full benefit of any indemnities, warranties and guarantees, in favour of the Lenders of TEL. Such 'investment' shall be for a period up till December 2034 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to assign any loan given to TEL (which loan is to be treated as subordinated to the debt of the lenders of TEL) on such terms and conditions as may be deemed appropriate for the assignment of such debt to TEL, 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 including any amendments thereto, or required by law."

**f. SHARE PLEDGE AGREEMENT**

"RESOLVED THAT subject to Shareholders' approval, the Company shall pledge its shares (if any) in TEL held by it from time to time, in favor of the Lenders of TEL, whether such shares are acquired directly by way of subscription or otherwise. Such 'investment' shall be for a period up till December 2034 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later."

"RESOLVED THAT subject to Shareholders' approval, the CEO, CFO and the Company Secretary, acting jointly or severally, be and are hereby authorized

to execute the Share Pledge Agreement including all necessary documentation related thereto and for the said purpose do or cause to do all acts, deeds and things that may be necessary or required in connection therewith, as may be deemed appropriate and as mutually agreed with the Lenders of TEL including any amendments thereto, or as required by law."

#### **g. SPONSOR SUPPORT CONTRIBUTION LC**

"RESOLVED THAT subject to the approval of the Shareholders, the Company is hereby authorized to provide a guarantee (in the form of standby letter of credit) for the benefit of TEL and Intercreditor Agent for an aggregate amount of US\$ 31 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date ("PCD"), and (c) Commercial Operation Date ("COD") undertakings. Such 'investment' shall be for a period up till the later of Project Completion Date or such other date that may be prescribed under the Sponsor Support Agreement.

FURTHER RESOLVED THAT the CEO, CFO 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 on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) for the issuance of Standby Letter of Credit 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, including any amendments to the Amended and Restated Tripartite Amendment Agreement dated 12 January 2018, or required by law."

#### **h. INITIAL DSRA AND DSRA LC**

"RESOLVED THAT subject to the approval of the Shareholders, the Company is hereby authorized 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 20 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such SBLC shall be for a period up till the first payment of the installment of the loan or such other date that may be prescribed under the Sponsor Support Agreement.

FURTHER RESOLVED THAT subject to the approval of the Shareholders, the Company is hereby authorized to issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 20 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such sponsor obligation shall be for a period of the tenure of the project loan or such other date that may be prescribed under the Sponsor Support Agreement.

FURTHER RESOLVED THAT the CEO, CFO 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 on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) 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."

#### **i. TEL PUT OPTION**

"RESOLVED THAT, subject to Shareholder approval, the Company be and is hereby authorized to participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions (including Habib Bank Limited) ("Put Option / CRG Financiers") to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, ("Put Option

/ CG Contribution Amount") under the same as primary obligor in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT the Company be and is hereby authorized to provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TEL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest) up to the extent of USD 10 million, or such other amount as maybe agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such sponsor obligation shall be valid till December 2034 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT the Company is authorized to create a first ranking pari passu charge and/ or mortgage over assets or such other alternate security as the lenders may reasonably require from time to time in favor of Put Option / CRG Financiers for the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons (defined below).

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary ("Authorized Persons"), acting jointly or severally are authorized to negotiate and finalize the terms of the Put Option / CRG and to execute all necessary documents and agreements in relation to the same including but not limited to the security, sponsor support and other related documents and do all other matters incidental thereto, and carry out any other act or step which may be ancillary and / or incidental to do the above and necessary, including any amendments to the Amended and Restated Tripartite Amendment Agreement dated 12 January 2018, to fully achieve the object of the aforesaid resolutions."

## **j. EXCESS DEBT SUPPORT**

"RESOLVED THAT subject to Shareholder approval, the Company be and is hereby authorized to provide contractual commitments up to USD 22 million (or PKR equivalent) to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period the earlier of the tenure of the project loan or December 2034 or such period until the liabilities / obligations of the Sponsors remain undischarged, whichever is later.

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary, acting jointly or severally are authorized to negotiate and finalize finance documents containing certain commitments in the form reasonably required by Lenders, to provide excess debt support to TEL with banks / financial institution(s); provide security on such terms and conditions as may be deemed appropriate (including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable and immovable) assets of the Company) 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."

## **C. OTHER BUSINESS**

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

By Order of the Board

Place: Karachi

Date: September 12, 2019

Shaharyar Nashat  
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 Thursday, October 17, 2019 to Thursday October 24, 2019 (both days included).
- iii. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
- iv. 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.
- v. 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, Shahra-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.

## A. For Attending the Meeting

- i. 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 authenticate their identity by showing original Computerized National Identity (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 (if it has not been provided earlier) at the time of attending the Meeting.

## B. For Appointing Proxies

- i. 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.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- 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.

## C. Consent for Video Conference Facility

- i. In compliance with Section 134(1)(b) of the Companies Act, 2017, if the Company receive consent from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city. To avail this facility, please provide following information and submit to registered address of the Company.
- ii. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility

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

# 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 Annual General Meeting of The Hub Power Company Limited (the "Company") to be held on Thursday, October 24, 2019.

## 1. INVESTMENT IN THAR ENERGY LIMITED ("TEL")

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 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.

Pursuant to the proposal submitted by TEL on April 05, 2016 for setting up the Project, Private Power & Infrastructure Board ("**PPIB**") issued Letter of Support ("LOS") on December 9, 2016 and accordingly TEL executed the Implementation Agreement with PPIB on November 10, 2017. TEL has also executed the Power Purchase Agreement, Water Use Agreement and Coal Supply Agreement in respect of the Project on July 27, 2017, October 17, 2017 and May 13, 2017 respectively. PPIB has approved extension in LOS deadline to achieve the financial close of the project by March 8, 2020.

Furthermore, TEL has executed term loan facility agreements for both US Dollar Loan Facility and Rupees Facility on December 20 2018. The Company entered into the US Dollar Facility Agreement with Cinna Development Bank and China Minsheng Bank Corporation Limited (USD Lenders) and executed the Rupees Facility Agreement with a syndicate of local banks including Habib Bank Limited, Bank Alfalah Limited, Bank Al—Habib Limited, National Bank of Pakistan, Soneri Bank Limited Faysal Bank limited and Sindh Bank Limited (PKR Lenders)

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**")

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 sponsor support agreement ("**SSA**"). Under the SSA several guarantees, undertakings and commitments are required from the Sponsors which have for which shareholders' approval is being sought. The above-mentioned approvals have already been sought by the Company's Shareholders, in its Extra Ordinary General Meeting held on June 22, 2018. Since, the construction of the Project has been extended, the approval pertaining to the guarantees, undertakings and commitments under the SSA is sought again reflecting the change in timeline and to meet the requirements under the Finance Documents.

**a. Equity**

**Investment in Equity of TEL**

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017: "RESOLVED THAT, the approval of the members of the Company be and is hereby accorded in terms of Section 199 to make "investments" in Thar Energy Limited ('TEL') up to an amount not exceeding USD 78 million (or PKR equivalent) by way of a subscription of shares at the rate of Rs. 10 per share plus premium, if any, finalized by the Board of TEL. Such investment shall be for a period up till December 2022.

Since, the time line for the construction of the Project has been extended; revised approval for Sponsor Support LC is sought to the extent required under the Finance Documents.

***Standby letter of credit in an amount not exceeding US\$ 78 million ("Equity SBLC")***

With regards to the Equity SBLC, the same shall secure the obligations of the Company in respect of the equity contribution pursuant to the Shareholders Agreement dated March 15, 2018. For the purpose of clarity, please note that the SBLC forms part of the US\$ 78 Million equity investment for which the approval is sought from the members of the Company and is not a standalone facility. However, given that the SBLC amounts to a separate "investment" for the purposes of the Act and the Regulations, the Company is required to obtain separate approvals for the same from its members. The SBLC amount will be reduced on each subsequent investment made in the project pursuant to SSA.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017:

RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to arrange and provide a Standby Letter of Credit to the Lenders of TEL or TEL to cover for the equity investment of (and up to an amount not exceeding) USD 78 million (or PKR equivalent) to guarantee the subscription of equity. Such SBLC shall be for a period up till December 2022"

Since, the time line for the construction of the Project has been extended; revised approval for investment in TEL is sought to the extent required under the Finance Documents.

**b. Sponsor Support Contribution LC**

The Company is required by the lenders of TEL to provide a guarantee/standby letter credit for the PKR equivalent of an amount not exceeding US\$ 31 Million to guarantee an investment in the form of subordinated debt to cover (a) cost overrun (b) any obligation under financing documents prior to project completion date of the Project and (c) undertaking to achieve the Commercial Operations Date of the Project.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of The Companies Act, 2017

RESOLVED that that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to provide a guarantee (in the form of standby letter of credit) for the benefit of TEL and Intercreditor Agent for an aggregate amount of

US\$ 31 million (or PKR equivalent) to guarantee an investment in the form of equity or subordinated debt to cover (a) cost overrun, (b) any obligation under financing documents prior to Project Completion Date (“PCD”), and (c) Commercial Operation Date (“COD”) undertakings. Such ‘investment’ shall be for a period up till the earlier of Project Completion Date or December 2025

Since, the time line for the construction of the Project has been extended; revised approval for Sponsor Support LC is sought to the extent required under the Finance Documents.

#### **c. Working Capital Undertaking**

With regards to the working capital financing, it is a contingent obligation of the Company pursuant to the Sponsor Support Agreement, which shall arise only if TEL is unable to arrange working capital, and in any case such obligation will not arise before the commencement of the operations of the Project, the expected date of which is March 31, 2021. The maximum amount of the working capital financing to be disbursed at the relevant time shall not exceed US\$ 36 Million.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017

RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to undertake to the Lenders of TEL and to arrange and/or provide working capital financing to TEL equivalent to an aggregate amount of US\$ 36 million. Such ‘investment’ shall be for a period up till December 2032.

Since, the time line for the construction of the Project has been extended; revised approval for Working Capital Undertaking is sought to the extent required under the Finance Documents.

#### **d. 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 US\$ 20 million in TEL 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 TEL has not been achieved for the purpose of repaying outstanding obligations owed by TEL 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.

After the project completion date of the Project, the lenders of TEL have allowed Sponsors to withdraw the cash from the DSRA account provided Sponsors issue “DSRA LC” for the amount of the current DSRA. After the final maturity date of project loan, the TEL lenders will issue instructions to the Facility Agent to release the **DSRA LC**. That amount can also vary depending on the then prevailing LIBOR/KIBOR rate so the estimation is that, Hubco’s share will not exceed US\$ 20 million, although it can be slightly higher or lower. Upon a demand being made for payment under the DSRA LC and receiving such payment, the said amount may be treated as equity or at the option of the Sponsors collectively, subordinated debt advanced in favor of TEL in an amount equal to such portion of the DSRA LC that is called upon.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017

RESOLVED that 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 20 million (or PKR equivalent), but which may be higher. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or December 2023.

FURTHER RESOLVED that the Company is hereby authorized to issue a sponsor standby letter of credit to cover for the Debt Service Reserve Account, of an amount estimated not to exceed USD 20 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032.

Since, the time line for the construction of the Project has been extended; revised approval for Initial DSRA support and DSRA LC is sought to the extent required under the Finance Documents.

**e. Commercial Risk Guarantee**

In order to secure the residual commercial risk post ex-Sinosure Policy (as Sinosure Policy would only cover 65% commercial risk), a Commercial Risk Guarantee structure has been finalized among the Chinese lenders, local lenders and Sponsors. Under the arrangement, Chinese lenders required some additional coverage from the local lenders. Since Sinosure has agreed to take 65% commercial risk, and the Chinese lenders have agreed to take 15% commercial risk, Sponsors are required to provide additional coverage to Chinese Banks for the residual 20% commercial risk. This 'Put Option' Facility shall be available for a period of 14 years, with Sponsors Portion to be secured by a charge over Sponsors assets. In addition, Sponsors have to provide conditional / contingent support to lenders to cover for (a) any differential of the amount payable to the amount received from CDB in lieu of markup on the forced loan not settled by project company (if any); and (b) any excess exposure of the Commercial Risk Guarantee provider because of PKR devaluation against US\$. Therefore, the Company's exposure (60% share) as Sponsor Support for the Put Option would US\$ 15 Million as primary obligor and US\$ 10 Million as markup on the forced loan not settled by project company (if any) and any excess exposure on account of US\$ / PKR devaluation.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017

RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to participate in the Put Option / Commercial Risk Guarantee ("Put Option / CRG") to be provided by local banks and financial institutions (including Habib Bank Limited) ("Put Option / CRG Financiers") to the foreign lenders and contributing payment of a sum not exceeding USD 15 million, ("Put Option / CG Contribution Amount") under the same as primary obligor in accordance with the terms of the Put Option / CRG Agreement. Such sponsor obligation shall be valid till December 2032"

FURTHER RESOLVED that the Company be and is hereby authorized to provide sponsor support to the Put Option / CRG Financiers for various exposures being assumed by the Put Option / CRG Financiers in respect of the Put Option / CRG to cover any shortfall that TEL is unable to provide to the Put Option / CRG Financiers (which includes any foreign exchange risk and mark-up / interest) up to the extent of USD 10 million, or such other amount as maybe agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such sponsor obligation shall be valid till December 2032.

FURTHER RESOLVED that the Company is authorized to create a first ranking pari passu charge and/or mortgage over assets or such other alternate security as the lenders may reasonably require from time to time in favor of Put Option / CRG Financiers for the Put Option / CRG Support Amount and Put Option / CRG Contribution Amount with such margin and on such terms as may be deemed appropriate by the Authorized Persons (defined below).

FURTHER RESOLVED THAT the CEO, CFO and the Company Secretary ("Authorized Persons"), acting jointly or severally are authorized to negotiate and finalize the terms of the Put Option / CRG and to execute all necessary documents and agreements in relation to the same including but not limited to the security, sponsor support and other related documents and do all other matters incidental thereto, and carry out any other act or step which may be ancillary and / or incidental to do the above and necessary, including any amendments to the Amended and Restated Tripartite Amendment Agreement dated January 12, 2018, to fully achieve the object of the aforesaid resolutions."

Since, the time line for the construction of the Project has been extended; revised approval for Commercial Risk Guarantee is sought to the extent required under the Finance Documents.

**f. Excess Debt Support**

In the event TEL requires excess debt, which is over and above the cost approved by NEPRA in the tariff awarded to the Company dated October 18, 2016, the Company is required to provide support in the form of contractual commitments to the lenders of TEL (and/or the security trustee) for TEL taking such excess debt. The excess debt support shall not exceed the PKR equivalent of US\$ 22 million plus unpaid markup, if any.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017

RESOLVED that 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 contractual commitments up to USD 22 million (or PKR equivalent) to Lenders for the purpose of TEL taking excess debt, which is over and above the cost approved by NEPRA. Such sponsor obligation shall be for a period earlier of the tenure of the project loan or December 2032

Since, the time line for the construction of the Project has been extended; revised approval for Excess Debt Support is sought to the extent required under the Finance Documents.

**g. Share Pledge**

With regards to the share pledge, the same does not entail any additional financial commitment of the Company towards TEL and is being provided as an additional form of security to the lenders of TEL, to secure TEL's repayment obligations under the financing documents.

As per the requirements of Section 134(3) of the Companies Act, 2017, the Sponsor Support Agreement (when executed) 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.

In the Extraordinary General Meeting of the Company held on June 22, 2018 the members of the Company approved the following investments in TEL, by way of a special resolution, as required by Section 199 of the Companies Act, 2017 is sought

RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to pledge its shares (if any) in TEL with the Lenders of TEL, whether such shares are acquired directly by way of subscription or otherwise. Such 'investment' shall be for a period up till December 2032."

Since, the time line for the construction of the Project has been extended; revised approval for Share Pledge is sought to the extent required under the Finance Documents.

# INFORMATION PURSUANT TO THE COMPANIES

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

## INVESTMENT IN TEL

### A. INVESTMENT IN EQUITY:

Investments in TEL up to an amount not exceeding US\$ 78 Million (US\$ Seventy Eight Million) (or PKR equivalent) by way of subscription of shares in TEL

#### (a) Disclosures required under Regulations 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, Director of the Company, is also on the Board of TEL.												
Earnings per share for the last three years;	<table border="1"> <tr> <td>2019</td> <td>0.071</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </table>	2019	0.071	2018	(0.17)	2017	(2.27)						
2019	0.071												
2018	(0.17)												
2017	(2.27)												
Break-up value per share, based on latest audited financial statements;	23.16 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	Position as of June 30, 2019 <table border="1"> <tr> <td></td> <td>In '000'</td> </tr> <tr> <td>Total Assets</td> <td>21,536,553</td> </tr> <tr> <td>Equity</td> <td>9,214,214</td> </tr> <tr> <td>Current Liabilities</td> <td>12,322,339</td> </tr> <tr> <td>General and Administration Expenses</td> <td>116,400</td> </tr> <tr> <td>Profit for the Period</td> <td>66,488</td> </tr> </table>		In '000'	Total Assets	21,536,553	Equity	9,214,214	Current Liabilities	12,322,339	General and Administration Expenses	116,400	Profit for the Period	66,488
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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 March 31, 2021 (III) The Project is expected to achieve Commercial Operations Date around March 2021 (IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval. (V) As at June 30, 2019, the Company has invested US\$ 45.27 Million in TEL. The Company will further invest US\$ 32.73 Million  <b>Non-Funded:</b> Equity SBLC of US\$ 78 Million												
Maximum amount of investment to be made;	Where the Board of TEL decides that TEL requires additional funding, the Board shall raise funds by issuance of further shares to the shareholders in proportion to the percentage of Shares owned by them at such time.  The Company may invest an amount not exceeding US\$ 78million (in equivalent Pakistan Rupees) in cash.												

Information Required	Information Provided
<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 US\$ 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 US\$ 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 US\$ 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>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 the CEO of the Company and Director 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, financing documents 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 US\$, 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>

Information Required	Information Provided
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(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 TEL
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 US\$ 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
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 60% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding to stay 60%.
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. 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.

**(B) SPONSOR SUPPORT CONTRIBUTION LC**

Investment in an amount not exceeding US\$ 31 Million (US\$ Thirty One Million) (or PKR equivalent)

**(i) investment in the form of equity**

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

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Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2019</p> <table border="0"> <tr> <td></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>General and Administration Expenses</td> <td style="text-align: right;">116,400</td> </tr> <tr> <td>Profit for the Period</td> <td style="text-align: right;">66,488</td> </tr> </table>		In '000'	Total Assets	21,536,553	Equity	9,214,214	Current Liabilities	12,322,339	General and Administration Expenses	116,400	Profit for the Period	66,488
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Maximum amount of investment to be made;	US\$ 31 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 US\$ 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 US\$ 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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Information Required	Information Provided
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 the CEO of the Company and Director 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>
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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 TEL
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
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**(B) SPONSOR SUPPORT CONTRIBUTION LC**

**(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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Information Required	Information Provided
Maximum amount of investment to be made;	US\$ 31 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 US\$ 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 US\$ 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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**(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 Shariah 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 Shariah compliant products and	1% approximately
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.  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
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

**(c) WORKING CAPITAL UNDERTAKING**

Investment to provide working capital financing to TEL in an amount not exceeding US\$ 36 Million (US\$ Thirty Six Million)

**(i) Investment in the form of equity**

**(a) Disclosures under Regulation 3(a)**

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Maximum amount of investment to be made;	US\$ 36 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 US\$ 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 US\$ 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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Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<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>												

Information Required	Information Provided
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 the CEO of the Company and Director 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>
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 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 US\$, 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;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(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 TEL
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 US\$ 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
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 60% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding will go down to 60%
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A

Information Required	Information Provided
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. 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.</p> <p>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.</p>

### (C) WORKING CAPITAL

#### (ii) investment in the form of subordinated debt

##### (a) Disclosures under Regulation 3(a)

Information Required	Information Provided												
Name of the "associated company"	Thar Energy Limited (TEL)												
Basis of relationship;	<p>The Company holds 60% of the total issued shares of TEL.</p> <p>Mr. Khalid Mansoor, CEO, Director of the Company, is also on the Board of TEL.</p>												
Earnings per share for the last three years;	<table border="1"> <tbody> <tr> <td>2019</td> <td>0.071</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </tbody> </table>	2019	0.071	2018	(0.17)	2017	(2.27)						
2019	0.071												
2018	(0.17)												
2017	(2.27)												
Break-up value per share, based on latest audited financial statements;	Rs. 23.16 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	<p>Position as of June 30, 2019</p> <table> <thead> <tr> <th></th> <th>In '000'</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>21,536,553</td> </tr> <tr> <td>Equity</td> <td>9,214,214</td> </tr> <tr> <td>Current Liabilities</td> <td>12,322,339</td> </tr> <tr> <td>General and Administration Expenses</td> <td>116,400</td> </tr> <tr> <td>Profit for the Period</td> <td>66,488</td> </tr> </tbody> </table>		In '000'	Total Assets	21,536,553	Equity	9,214,214	Current Liabilities	12,322,339	General and Administration Expenses	116,400	Profit for the Period	66,488
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General and Administration Expenses	116,400												
Profit for the Period	66,488												
<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, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021</p> <p>(III) The Project is expected to achieve Commercial Operations Date around March 2021</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.</p> <p>(V) Non-Funded: Contractual commitment of US\$ 36 Million</p>												

Information Required	Information Provided
Maximum amount of investment to be made;	US\$ 36 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 US\$ 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2020. 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 US\$ 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>
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;	<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 US\$ following COD</p>
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<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>
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 the CEO of the Company and Director 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>
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 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 US\$, 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>

Information Required	Information Provided
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor Support Agreement and Share Pledge Agreement are to be entered between the Sponsors, TEL, TEL's lenders, and other shareholders of TEL on terms to be finalized with the lenders of TEL.

**(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 Shariah 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 Shariah compliant products and	N/A
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.  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
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 Working Capital Commitment 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

**(D) DSRA SUPPORT**

Investment in TEL of an amount not exceeding US\$ 20 Million for Initial DSRA and US\$ 20 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"	Thar Energy Limited (TEL)
Basis of relationship;	The Company holds 60% of the total issued shares of TEL.  Mr. Khalid Mansoor, CEO, Director of the Company, is also on the Board of TEL.



Information Required	Information Provided										
Earnings per share for the last three years;	<table border="1"> <tr> <td data-bbox="546 141 763 175">2019</td> <td data-bbox="767 141 986 175">0.071</td> </tr> <tr> <td data-bbox="546 180 763 214">2018</td> <td data-bbox="767 180 986 214">(0.17)</td> </tr> <tr> <td data-bbox="546 219 763 253">2017</td> <td data-bbox="767 219 986 253">(2.27)</td> </tr> </table>	2019	0.071	2018	(0.17)	2017	(2.27)				
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2017	(2.27)										
Break-up value per share, based on latest audited financial statements;	Rs. 23.16 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	<p>Position as of June 30, 2019</p> <p>In '000'</p> <table> <tr> <td>Total Assets</td> <td>21,536,553</td> </tr> <tr> <td>Equity</td> <td>9,214,214</td> </tr> <tr> <td>Current Liabilities</td> <td>12,322,339</td> </tr> <tr> <td>General and Administration Expenses</td> <td>116,400</td> </tr> <tr> <td>Profit for the Period</td> <td>66,488</td> </tr> </table>	Total Assets	21,536,553	Equity	9,214,214	Current Liabilities	12,322,339	General and Administration Expenses	116,400	Profit for the Period	66,488
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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, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021</p> <p>(III) The Project is expected to achieve Commercial Operations Date around March 2021</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.</p> <p>(V) Non-Funded: Contractual commitment to provide Initial DSRA SBLC of US\$ 20 Million; and obligation to provide final DSRA SBLC of US\$ 20 Million</p>										
Maximum amount of investment to be made;	Initial DSRA SBLC US\$ 20 Million (or in equivalent Pakistan Rupees) and final DSRA SBLC US\$ 20 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 US\$ 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 US\$ 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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Information Required	Information Provided
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Equity investment equivalent to 60% of the total issued shares of TEL.  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%
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;	Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL.  Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL.  Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL
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 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.  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 US\$, following the Commercial Operations Date.  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;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(b) Disclosures under Regulation 3(b)**

(c) 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 TEL
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 US\$ 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
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 60% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding to stay 60%

Information Required	Information Provided
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. 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.</p> <p>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.</p>

#### (D) 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"	Thar Energy Limited (TEL)												
Basis of relationship;	<p>The Company holds 60% of the total issued shares of TEL.</p> <p>Mr. Khalid Mansoor, CEO, Director of the Company, is also on the Board of TEL.</p>												
Earnings per share for the last three years;	<table border="1"> <tbody> <tr> <td>2019</td> <td>0.071</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </tbody> </table>	2019	0.071	2018	(0.17)	2017	(2.27)						
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Break-up value per share, based on latest audited financial statements;	Rs. 23.16 per share as of June 2019												
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Information Required	Information Provided
<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>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval</p> <p>(V) <b>Non-Funded:</b> Contractual commitment to provide Initial DSRA SBLC of US\$ 20 Million; and obligation to provide final DSRA SBLC of US\$ 20 Million</p>
<p>Maximum amount of investment to be made;</p>	<p>For Initial DSRA US\$ 20 Million (or in equivalent Pakistan Rupees) and final DSRA US\$ 20 Million (or 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 US\$ 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 US\$ 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 US\$ 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>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 the CEO of the Company and Director 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>

Information Required	Information Provided
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 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 US\$, 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;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(b) Disclosures under Regulation 3(c)**

Category-wise amount of invest-ment;	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 Shariah 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 Shariah 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>
Information Required	Information Provided
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 DSRA 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

**(E) PUT OPTION/COMMERCIAL RISK GUARANTEE**

Investment of an amount not exceeding US\$ 25 Million (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"	Thar Energy Limited (TEL)										
Basis of relationship;	The Company holds 60% of the total issued shares of TEL.  Mr. Khalid Mansoor, CEO, Director of the Company, is also on the Board of TEL.										
Earnings per share for the last three years;	<table border="1"> <tr> <td>2019</td> <td>0.071</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </table>	2019	0.071	2018	(0.17)	2017	(2.27)				
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Maximum amount of investment to be made;	US\$ 25 Million (or 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 US\$ 520 Million.  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 US\$ following the COD.  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.										

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<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 US\$ following COD</p>
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<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 the CEO of the Company and Director 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 US\$, 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 Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.</p>

Information Required	Information Provided
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**(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 TEL
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 US\$ 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
Number of securities and percentage thereof held before and after the proposed investment	Present holding – 60% (equivalent PKR). The number of securities would depend upon the call made under difference commitments specified above in preamble whether or not the Company opts to satisfy the call by way of subscription of shares in TEL. It is anticipated that the holding to stay 60%
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. 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.

**(E) PUT OPTION/COMMERCIAL RISK GUARANTEE**

**(ii) investment in the form of subordinated debt**

**(a) Disclosures 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, Director of the Company, is also on the Board of TEL.						
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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 the CEO of the Company and Director 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>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL.</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 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 US\$, 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;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(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 Shariah 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 Shariah 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>

Information Required	Information Provided
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 Put Option 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

## (F) EXCESS DEBT SUPPORT

Investment in TEL of an amount not exceeding US\$ 22 Million (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"	Thar Energy Limited (TEL)															
Basis of relationship;	The Company holds 60% of the total issued shares of TEL.  Mr. Khalid Mansoor, CEO, Director of the Company, is also on the Board of TEL.															
Earnings per share for the last three years;	<table border="1"> <tbody> <tr> <td>2019</td> <td>0.071</td> </tr> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> </tbody> </table>	2019	0.071	2018	(0.17)	2017	(2.27)									
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<p>In case of investment in relation to a project of associated company or as-associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) Description of the project and its history since conceptual-ization;</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 re-turn on investment; and</p> <p>(V) Funds invested or to be in-vested 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, and the Project is expected to achieve Commercial Operations Date ("COD") by March 31, 2021</p> <p>(III) The Project is expected to achieve Commercial Operations Date around March 2021</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders' approval.</p> <p>(V) <b>Non-Funded:</b> Contractual commitment of US\$ 22 Million plus unpaid markup, if any</p>
<p>Maximum amount of investment to be made;</p>	<p>US\$ 22 Million Plus unpaid markup (in equivalent Pakistan Rupees), if any</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 US\$ 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 US\$ 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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Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.

**(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 TEL
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 US\$ 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
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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 70% 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>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 the CEO of the Company and Director 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 US\$, 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 Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal.</p>

**(b) Disclosures under Regulation 3(c)**

<b>Information Required</b>	<b>Information Provided</b>
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 Shariah 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 Shariah compliant products and	N/A
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	The commission on the guarantee and any other charge would have to be agreed with the bank providing the Guarantee.  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
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 Put Option 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