



Notice of the Extraordinary General Meeting

The Hub Power Company Ltd.

09th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi, Pakistan

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THE HUB POWER COMPANY LIMITED
NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting (“EOGM”) of the Hub Power Company Limited (“the Company”) will be held on Monday, February 20, 2023 at 10:00am at Marriott Hotel, Karachi to transact the following business:

A. SPECIAL BUSINESS

1. Ratification of the waiver to hold EOGM on short notice.
2. Approval for extension of the Company’s obligations under the Completion Guarantee with respect to China Power Hub Generation Company (Private) Limited.

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

“**RESOLVED THAT** the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act 2017 to extend the Company’s debt service undertaking obligations under CPHGC’s financing documents specified under the Completion Guarantee (CG) dated 24 October 2017, as amended and restated from time to time, until the financing received by CPHGC from its lenders is fully repaid.

“**FURTHER RESOLVED THAT**, the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary, acting jointly or severally are authorized to negotiate and to do all necessary acts including, but not limited to, executing any and all documents, deeds, undertakings etc. for the purpose of the aforementioned resolutions.”

B. OTHER BUSINESS

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

Date: February 15, 2023
Place: Karachi

By Order of the Board


Faiza Kapadia Raffay
Company Secretary

NOTES:

- i. All members are entitled to attend and vote at Meeting.
- ii. The Share Transfer Books of the Company will remain closed from February 16, 2023 to February 20, 2023 (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 submitted with the Company Secretary at the Head Office of the Company not 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, Shakra-e-Faisal, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their Participants. This will assist in the prompt receipt of Dividend.

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 Card (CNIC) or original passport at the time of attending the Meeting.
- II. In case of a corporate entity, the Board of Directors resolution / Power of Attorney with specimen signature of the nominee shall be produced (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 of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed herein above, to be transacted at the EOGM of the Company to be held on February 20, 2023.

Approval for extension of obligations under Completion Guarantee pertaining to the Hub Power Company Limited's associated company, China Power Hub Generation Company (Private) Limited ("CPHGC").

The Company through its wholly-owned subsidiary, Hub Power Holdings Limited ("HPhL") and its Chinese partner, China Power International Holding Limited ("CPIH"), through its wholly owned subsidiary China Power International (Pakistan) Investment Limited ("CPIPL"), has formed a company by the name of China Power Hub Generation Company (Private) Limited ("CPHGC") in September, 2015. The principal activities of CPHGC are to develop, own, operate and maintain a 2x660 MW coal fired power plant each within one facility along with a jetty and ancillary facilities at the Hub Plant Site in the province of Balochistan Pakistan ('Project'). HPhL owns 47.5% shares in CPHGC of which 1.5% would be transferred to Government of Balochistan, as per the Memorandum of Understanding dated December 23 2016. As a condition precedent to making finance facilities available to CPHGC for the development of 2 x 660MW (gross) coal-fired power plant and related facilities in Hub, Balochistan Province, Pakistan, the Company had sought approval from its shareholders via its Extraordinary General Meeting held on May 25 2017 as required by the lenders of CPHGC to enter into a deed of completion guarantee and pursuant thereto a guarantee/standby letter credit for an aggregate amount of US\$150 million or equivalent PKR (the "**Approved Limit**") to guarantee an investment in the form of equity or subordinated debt (either directly or through HPhL) to (a) satisfy the funding shortfall, if any, in CPHGC to achieve completion of the Project to the satisfaction of the lenders; and (b) repay all principal, interest, fees or any other amounts that may fall due by CPHGC under the finance documents to the finance parties. The guarantee/standby letter of credit expires on February 23 2023. If the guarantee is called it would be booked by CPHGC either as equity or subordinated loan, subject to CPHGC Board and Lenders approval.

In order to release the Company from the requirement to maintain the standby letter of credit, it has been agreed that the Company, via a deed of undertaking, shall extend its existing obligation to pay any amount proportionate to its shareholding in CPHGC, up to a maximum of USD 150 million, due from CPHGC to the relevant lenders following the exercise of any remedy by CPHGC's lead lender, China Development Bank ("CDB"), under CPHGC's financing documents specified in clause 5 of the Completion Guarantee

(“CG”) dated 24 October 2017, as amended and restated from time to time, between CPHGC, CPHGC’s sponsors and shareholders and CDB, until the financing received by CPHGC from its lender’s is fully repaid.

The Company requires approval from its shareholders to extend its obligations under clause 5 of the CG until the financing received by CPHGC from its lender’s is fully repaid. Accordingly, approval is being sought from the members of the Company for the aforementioned extension.

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

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

Information Required	Information Provided										
Name of the “associated company”	China Power Hub Generation Company (Private) Limited										
Basis of relationship;	The Company through its wholly owned subsidiary (“HPL”) owns 47.5% shares in the Joint Venture Company										
Earnings per share for the last three years;]	<table border="1"> <tr> <td>2022</td> <td>8.3</td> </tr> <tr> <td>2021</td> <td>3.4</td> </tr> <tr> <td>2020</td> <td>6.3</td> </tr> </table>	2022	8.3	2021	3.4	2020	6.3				
2022	8.3										
2021	3.4										
2020	6.3										
Break-up value per share, based on latest audited financial statements;	PKR 30.3 per share as of December 31, 2022										
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 and for the year ended December 31, 2022 In ‘000’ <table> <tr> <td>Total Assets</td> <td>524,206,353</td> </tr> <tr> <td>Equity</td> <td>169,175,818</td> </tr> <tr> <td>Liabilities</td> <td>355,030,535</td> </tr> <tr> <td>General and Administration Expenses</td> <td>2,849,404</td> </tr> <tr> <td>Profit for the Year</td> <td>46,551,601</td> </tr> </table>	Total Assets	524,206,353	Equity	169,175,818	Liabilities	355,030,535	General and Administration Expenses	2,849,404	Profit for the Year	46,551,601
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<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) Description of the project and its history since conceptualization;</p> <p>(II) Starting date and expected date of completion of work;</p> <p>(III) Time by which such project shall become commercially operational;</p> <p>(IV) Expected time by which the project shall start paying return on investment; and</p> <p>(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>(I) Please see preamble above for project description.</p> <p>(II) Work has commenced on the Project since August 2016 and the Project achieved Commercial Operations Date (“COD”) on August 2019.</p> <p>(III) The Project has achieved Commercial Operations Date on August 2019.</p> <p>(IV) The Project shall start paying return on investment after it has achieved Project Completion Date and fulfilment of distribution tests as required by the lenders.</p> <p>(V) As at December 31, 2022, the Company has invested USD 33.2 billion in CPHGC through HPHL.</p>
<p>Maximum amount of investment to be made;</p>	<p>No additional investment is to be made.</p> <p>Pursuant to shareholders approvals dated May 25, 2017, and October 5, 2021, the Company provided a Completion Guarantee (CG) with a cap of USD 150 mn to meet any funding shortfall (Funding Shortfall Support) or default in debt servicing (Debt Service Undertaking) until the Project Completion Date (PCD). Under the terms of CG, the Company was required to provide a standby letter of credit (SBLC) in favour of CPHGC in support of its obligations under the CG.</p> <p>The Company’s obligations under the CG are being amended through a Deed of Undertaking whereupon the requirement to maintain SBLC will not be applicable while the existing Debt Service Undertaking under the CG will be extended up to the end of CPHGC’s loan term.</p>
<p>Purpose and benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>The amendment in CG’s terms will improve the Company’s financial position by:</p> <ul style="list-style-type: none"> • release of assets held as security against the SBLC; and • savings of the costs of SBLC.
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p>	<p>Not applicable</p>

(I) justification for investment through borrowings;	
(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Pursuant to shareholders approvals dated May 25, 2017 and October 5, 2021, the Company provided a Completion Guarantee (CG) with a cap of USD 150 mn to meet any funding shortfall (Funding Shortfall Support) or default in debt servicing (Debt Service Undertaking) until the Project Completion Date (PCD). Under the terms of CG, the Company was required to provide a standby letter of credit (SBLC) in favour of CPHGC in support of its obligations under the CG.</p> <p>The Company's obligations under the CG are being amended through a Deed of Undertaking whereby the requirement to maintain SBLC is being withdrawn and the existing Debt Service Undertaking under the CG is being extended up to the end of CPHGC's loan term.</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;	The Company through HPHL currently owns 47.5% shares in the JV Company.
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>The investee company has generated profits of PKR 107,502 million up to 31 December 2022, 46% of which accrues to the Company as its share of profit from the investee company after accounting for the GOB share.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	N/A

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

N/A

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

Category-wise amount of investment;	Not applicable as no new investment is being made, instead the terms of the existing guarantee are being amended
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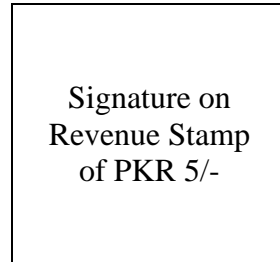
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products	Not applicable
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	Not applicable..
Particulars of collateral or security to be obtained in relation to the proposed investment	Not applicable
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;	Not applicable
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not applicable

PROXY FORM

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

I/We _____ of _____ being a member of THE HUB POWER COMPANY LIMITED and holder of _____ Ordinary Shares as per the Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-Account No. _____ hereby appoint _____ of _____ or failing him/her _____ as my/our proxy for me & on my/our behalf at the Extraordinary General Meeting of the Company to be held on Monday, February 20, 2023 at 10:00 am at Marriott Hotel, Karachi.

Dated _____ 2023



Signature of Shareholder
Folio / CDC Nos.

Witnesses:

(1) Signature _____

(2) Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC / Passport No. _____

CNIC / Passport No. _____

Notes:

– A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member’s behalf. A Proxy need not be a member of the Company.

– If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, The Hub Power Company Limited, Head Office at 9th Floor, Ocean Tower, Block–9, Main Clifton Road, Karachi–75600 so as to reach no less than 48 hours before the time appointed for holding the Meeting.

–For CDC Account Holders / Corporate Entities

In addition to the above, the following requirements have to be met:

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

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