



Notice of Extraordinary General Meeting

The Hub Power Company Ltd.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of The Hub Power Company Limited (the "Company") will be held on Tuesday, April 16, 2019 at 10.00 am at Marriott Hotel, Abdullah Haroon Road, Karachi to transact the following business:

SPECIAL BUSINESS:**1. Extension of Issuance of Letter of Support ("LOS") Guarantee to Private Power & Infrastructure Board ("PPIB") for Thar Energy Limited ("TEL")**

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

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to arrange and provide a bank guarantee to Private Power & Infrastructure Board ("PPIB") to cover the obligations of Thar Energy Limited ("TEL") to USD 1.98 M. The bank guarantee shall be for a period up till December 31, 2019."

"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. Investment in China Power Hub Generation Company (Private) Limited ("CPHGC")

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

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for making "investments" in China Power Hub Generation Company (Pvt.) Limited ("CPHGC") (directly or through HPHL) to make investment in CPHGC up to USD 250 million plus applicable taxes (Equivalent PKR) by way of subscription of shares at PKR 10 per share or at premium, and purchase of shares from China Power International (Pakistan) Investment Limited ("CPIPI") as applicable."

"FURTHER RESOLVED THAT subject to the approval of the Shareholders, the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby jointly or severally authorized to take all necessary action to make the above investment and to acquire shares of CPHGC."

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

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

a. Investment in ThalNova Power Thar (Private) Limited

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded, to make "investments" directly or through its subsidiary Hub Power Holdings Limited ("HPHL") in ThalNova Power Thar (Private) Limited ("TN") up to an amount not exceeding USD 50.5 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 TN. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of 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 TN."

b. Equity Standby Letter of Credit ("SBLC")

"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 ThalNova Power Thar (Pvt) Limited ("TN") or to TN, directly or through its subsidiary Hub Power Holdings Limited (HPHL), to cover for the equity

investment of (and up to an amount not exceeding) USD 50.5 million (or PKR equivalent) to guarantee the subscription of equity. Such investment shall be for a period up till July 31, 2026 or such period until the liabilities/obligations of 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 as may be required by the lenders on such terms and conditions as may be deemed appropriate 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."

c. Working Capital Undertaking

"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 ThalNova Power Thar (Pvt) Limited ("TN") or to arrange and/or provide working capital financing to TN, directly or through its subsidiary Hub Power Holdings Limited ("HPhL"), equivalent to an aggregate amount of USD 23 million. Such 'investment' shall be for a period up till August 31, 2033 or such period until the liabilities/obligations 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 as may be required by the lenders on such terms and conditions as may be deemed appropriate 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."

d. Assignment of Equity Subordinated Debt

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to assign its rights, benefits and interests in respect of any investment made in ThalNova Power Thar (Pvt) Limited ("TN") by way of Subordinated loan (which loan is to be treated as subordinated to the debt of the Lenders of TN) including the benefits of any indemnities, warranties and guarantees, in favour of the lenders of TN, directly or through its subsidiary Hub Power Holdings Limited ("HPhL"). Such 'investment' shall be for a period up till August 31, 2033 or such period until the liabilities/obligations 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 TN (which loan is to be treated as subordinated to the debt of the lenders of TN) on such terms and conditions as may be deemed appropriate for the assignment of such debt to TN, 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."

e. Share Pledge Agreement

"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 ThalNova Power Thar (Pvt) Limited ("TN") held by it from time to time, in favour of the Lenders of TN, whether such shares are acquired directly by way of subscription or otherwise. Such 'investment' shall be for a period up till August 31, 2033 or such period until the liabilities/obligations remain undischarged, whichever is later."

"FURTHER RESOLVED that subject to Shareholders' approval, the CEO, CFO and the Company Secretary, acting jointly or severally, be and are hereby authorized to negotiate and 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 Lenders of TN including any amendments thereto, or as required by law."

f. Sponsor Support Contribution LC

"RESOLVED 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 ThalNova Power Thar (Pvt) Limited ("TN") and Intercreditor Agent for an aggregate amount of USD 20 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 31 July 2026."

"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 as required by lenders on such terms and conditions as may be deemed appropriate for the issuance of Standby Letter of Credit and for the said purpose 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."

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

"RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to issue a sponsor standby letter of credit to cover for the Initial Debt Service Reserve Account Shortfall, of an amount estimated not to exceed USD 14 million (or PKR equivalent), but which could be higher as detailed in the explanation. Such SBLC shall be for a period up till the earlier of first payment of the installment of the loan or 31 January 2024."

"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 14 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 31 August 2033."

"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 as required by lenders on such terms and conditions as may be deemed appropriate for the issuance of Standby Letter of Credit and for the said purpose negotiate and execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the lenders including any amendments thereto, or required by law."

h. ThalNova Power Thar (Pvt) Limited ("TN") Put Option

"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") in favour of the foreign lenders and contributing payment up to USD 10 million (or PKR equivalent) ("Put Option / CRG Contribution Amount") under the same as primary obligor in accordance with the terms of the Agreement Regarding Procedures Following Event of Default. Such sponsor obligation shall be valid till 31 August 2033."

"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 TN 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 07 million), or such other amount as may be agreed with the Put Option / CRG Financiers from time to time ("Put Option / CRG Support Amount"). Such Sponsor obligation shall be valid till 31 August 2033."

"FURTHER RESOLVED that the Company is authorized to provide security in form and substance acceptable to the Put Option / CRG Financiers or such other alternate/additional security as the Put Option / CRG Financiers may require from time to time up to 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 carryout any other act or step which may be ancillary and / or incidental to do the above and necessary, to fully achieve the object of the aforesaid resolutions."



Shaharyar Nashat
Company Secretary

Date: March 14, 2019
Karachi

Notes:

The Share Transfer Books of the Company will remain closed from Tuesday, April 9, 2019 to Tuesday, April 16, 2019 (both days included).

- (i) A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A proxy need not be a member of the Company.
- (ii) Duly completed forms of proxy must be deposited with the Company Secretary at the Head Office of the Company no later than 48 hours before the time appointed for the meeting.
- (iii) Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Extraordinary General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Extraordinary General Meeting along with complete information necessary to enable them to access the facility.

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

A For attending the Meeting:

- (i) In case of individuals, the account holders or sub account holders whose registration details are uploaded as per the Regulations, shall authenticate his/her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- (ii) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B For Appointing Proxies

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

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

Pursuant to Section 134 (3) of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the Extraordinary General Meeting of The Hub Power Company Limited (the "Company") to be held on, Tuesday April 16, 2019.

1. Extension of Issuance of Letter of Support ("LOS") Guarantee to Private Power & Infrastructure Board ("PPIB") for 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.

The Company has entered into the Shareholders' Agreement on March 15, 2018 with Fauji Fertilizer Company Limited ("FFC"), CMEC TEL Power Investments Limited Emirates ("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").

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. As per the terms of the LOS, the Company provided performance guarantee amounting to USD 1.65 million in favour of PPIB.

TEL requested PPIB to provide extension in the Financial Closing date i.e. till September 8, 2018 (Extended Financial Closing date). On June 21, 2018, PPIB approved the extension in the financial closing date till September 8, 2018 and also approved the extension in the COD till March 31, 2021. To fulfil the requirements to obtain LOS extension from PPIB, the Company doubled the performance guarantee amount from USD 1.65 million to USD 3.30 million till December 31, 2018. Subsequent extension in the Financial Close deadline from September 8, 2018 to March 8, 2019 was also provided to TEL by PPIB.

Financing documents pertaining to the Financial Close of TEL has been signed and negotiations with its lenders is in process for the Condition Precedents which are to be completed, TEL has requested PPIB for further extension in the Financial Closing Date under LOS for at least six months from March 8, 2019 to September 8, 2019. Therefore, Company is required to extend the tenure of the Performance Guarantee from June 2019 to December 31, 2019.

Previously, the guarantee was based on Hubco's 70% Shareholding in TEL as at that time the equity was not injected by CMEC. CMEC Dubai has injected its portion of equity representing 10% of the total equity interest in TEL which has resulted in HUBCO, FFC and CMEC's shareholding to 60%, 30% and 10%, respectively. The Company has already sought shareholders' approval in its Annual General Meeting (AGM) for the year 2018 for the LOS guarantee amounting to USD 2,310,000 based on 70% shareholding of Hubco. Now, based on the current equity contribution, the company is required to extend the tenure of the guarantee for 60% of the LOS guarantee amount i.e. USD 1,980,000 for which shareholders' approval is being sought.

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

(A) PERFORMANCE GUARANTEE TO PPIB

Investment for an amount not exceeding USD 1,980,000 (USD One Million Nine Hundred Eighty Thousand) (or PKR equivalent).

(i) Investment in the form of 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.												
Earnings per share for the last three years	<table> <tr> <td>2018</td><td>(0.17)</td></tr> <tr> <td>2017</td><td>(2.27)</td></tr> <tr> <td>2016*</td><td>(0.49)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.17)	2017	(2.27)	2016*	(0.49)						
2018	(0.17)												
2017	(2.27)												
2016*	(0.49)												
Break-up value per share, based on latest audited financial statements	Rs. 9.62 per share as of June 2018.												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2018</p> <table> <tr> <td></td><td>In '000'</td></tr> <tr> <td>Total Assets</td><td>4,399,988</td></tr> <tr> <td>Equity</td><td>3,527,156</td></tr> <tr> <td>Current Liabilities</td><td>872,832</td></tr> <tr> <td>General and Administration Expenses</td><td>(100,672)</td></tr> <tr> <td>Loss for the Period</td><td>(62,545)</td></tr> </table>		In '000'	Total Assets	4,399,988	Equity	3,527,156	Current Liabilities	872,832	General and Administration Expenses	(100,672)	Loss for the Period	(62,545)
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Equity	3,527,156												
Current Liabilities	872,832												
General and Administration Expenses	(100,672)												
Loss for the Period	(62,545)												
<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: Performance guarantee of USD 1,980,000/-</p>												
Maximum amount of investment to be made;	USD 1,980,000/- (or equivalent Pakistan Rupees).												
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ("Project") at a total cost of about USD 520 Million.												

	<p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: -</p> <p>(I) Justification for investment through borrowings;</p> <p>(II) Detail of collateral guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) Cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) The facility is secured by 3rd ranking charge over all present and future plant and machinery of the Company</p> <p>(III) Project is anticipated to offer an IRR of 20% in USD following COD</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 60% of the total issued shares of TEL.</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: The Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%.</p>
<p>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 financing agreements have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>

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.
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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.	Commission of 0.05% per annum approximately.
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	In the event any amount is invested as a loan the Company shall require 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 TEL 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 pursuant to Performance Guarantee shall be marked as subordinated debt to the TEL project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TEL. Since it is a non-funded obligation, there is no repayment schedule.

2. Investment in 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 Joint Venture Company, China Power Hub Generation Company (Private) Limited ("CPHGC") in September 2015. The principal activities of CPHGC are to develop, own, operate and maintain a 1320 MW imported coal fired power plant along with a jetty and ancillary facilities within one facility at the Hub Plant Site in the province of Balochistan Pakistan ("Project").

HPhL currently owns 26% shares in CPHGC. Subject to certain conditions as stated in the Amended and Restated Shareholders' Agreement ("A&RSHA"), at any time on or before the Call Option Exercise Date, HPhL has the right but not the obligation to increase its shareholding in CPHGC from 26% up to a minimum of 43% and a maximum of 49%, by acquiring shares from CPIIL, the price of which shares will be calculated as per the provisions of the A&RSHA. On January 11, 2016, the Board of Directors of the Company and HPhL, in accordance with the A&RSHA decided to initiate the process of exercising the Call Option with a view to increase HPhL's shareholding in CPHGC from 26% to 47.5%. The Company and China Power International Pakistan Investment Limited ("CPIIL") have agreed to the draft valuation carried out by an independent valuer and on December 26, 2018 the Board of Directors of the Company decided to increase its shareholding in CPHGC, through HPhL, from 26% to 47.5%. The increase in shareholding will be subject to corporate and regulatory approvals in China and Pakistan, which are currently in progress. HPhL had earlier, on December 23, 2016, entered into a Memorandum of Understanding ("MoU") with CPIIL and Government of Balochistan ("GoB") whereby 3% equity shareholding (1.5% each) in CPHGC will be transferred by HPhL and CPIIL to GoB, no later than the Commercial Operation Date ("COD") of CPHGC. These shares will be issued to GoB in lieu of resources and services to benefit CPHGC in a transparent and legal manner.

Shareholders at the Extraordinary General Meeting held on May 25, 2017 approved the investment in CPHGC (directly or through HPhL) for an amount not exceeding USD 237.5 million (in equivalent Pakistan Rupees) by way of subscription of shares at rate of Rs. 10 per share for 47.5% shareholding in CPHGC. As a result of valuation exercise carried out by an independent valuer, total funds required to be injected in CPHGC for 47.5% shareholdings tantamount to USD 250 million, the same be invested in CPHGC by subscription of shares in CPHGC and purchase of shares from CPIPL.

Accordingly, a revised approval is being sought from the members of the Company for investment in CPHGC, through HPHL, for an amount not exceeding USD 250 million, plus applicable taxes, by way of subscription of shares at PKR 10 per share or at premium and purchase of shares from China Power International (Pakistan) Investment Limited ("CPIPL"), as applicable.

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

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

INVESTMENT IN CPHGC

A. INVESTMENT IN EQUITY:

Investment in CPHGC up to an amount not exceeding USD 250 million (USD Two Hundred and Fifty Million) plus applicable taxes (Equivalent PKR) by way of subscription of shares at PKR 10 per share or at premium and purchase of shares from CPIPL, as applicable.

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

Information Required	Information Provided												
Name of the "associated company"	China Power Hub Generation Company (Private) Limited.												
Basis of relationship;	The Company through its wholly owned subsidiary ("HPHL") owns 26% shares in the JV Company and as said in the preamble HPHL has exercised its Call Option under the Shareholder Agreement to increase its equity stake to 47.5%. The change in equity stake could take place at any time before the Commercial Operations Date (COD).												
Earnings per share for the last three years;	<table> <tr> <td>2018</td><td>(0.33)</td></tr> <tr> <td>2017</td><td>(1.19)</td></tr> <tr> <td>2016</td><td>(2.21)</td></tr> </table>	2018	(0.33)	2017	(1.19)	2016	(2.21)						
2018	(0.33)												
2017	(1.19)												
2016	(2.21)												
Break-up value per share, based on latest audited financial statements;	PKR 9.27 per share as of December 31, 2018												
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 and for the year ended December 31, 2018</p> <table> <tr> <th></th><th>In '000'</th></tr> <tr> <td>Total Assets</td><td>201,006,503</td></tr> <tr> <td>Equity</td><td>39,605,812</td></tr> <tr> <td>Liabilities</td><td>161,400,691</td></tr> <tr> <td>General and Administration Expenses</td><td>1,384,422</td></tr> <tr> <td>Loss for the Period</td><td>1,410,912</td></tr> </table>		In '000'	Total Assets	201,006,503	Equity	39,605,812	Liabilities	161,400,691	General and Administration Expenses	1,384,422	Loss for the Period	1,410,912
	In '000'												
Total Assets	201,006,503												
Equity	39,605,812												
Liabilities	161,400,691												
General and Administration Expenses	1,384,422												
Loss for the Period	1,410,912												
<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>(I) Please see preamble above for project description.</p> <p>(II) Work has commenced on the Project since August 2016 and the Project is expected to achieve Commercial Operations Date ("COD") by August 2019.</p> <p>(III) The Project is expected to achieve Commercial Operations Date by August 2019.</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 shall start paying return on investment after it has achieved project completion date as required by the lenders, expected by September 2020.</p> <p>(V) As at March 13, 2019, the Company has invested USD 119 Million in CPHGC through HPHL. The Company will further invest USD 131 Million.</p>
Maximum amount of investment to be made	The maximum securities would depend on the amount of equity required and the conversion rate at the time of the call divided by par value. Maximum securities would be equivalent to USD 250 Million converted into PKR at the rate prevailing on the date of subscription divided by par value of PKR 10 or at premium per share, as applicable.
Purpose and benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To construct, own, and operate 1320 MW imported coal-based facility along with a jetty and ancillary facilities at the Site in the province of Balochistan Pakistan ("Project") at a total cost of about USD 2 Billion.</p> <p>In terms of commercial operation of the Project, the commissioning of the facility is anticipated by August 2019.</p> <p>In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which offers a return of 27% in ROE terms over the life of the Project, following the COD.</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 17% 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) Funds can be arranged through issuing unsecured instrument or by giving 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 17% in USD following COD</p>
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Pursuant to Amended and Restated Shareholders' Agreement, at any time on or before the Call Option Exercise Date (i.e. a date falling no later than 200 days prior to Required Commercial Operations Date), the Company's SPV i.e HPHL has the right but not the obligation to increase its shareholding in CPHGC from 26% up to a minimum of 43% and a maximum of 49%, by acquiring shares from CPIL, the price of which shares will be calculated as per the provisions of the A&RSA.
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, CEO of the Company is a director and holds a qualifying share in CPHGC.</p> <p>The Company through HPHL owns 26% shares in the JV Company and pursuant to the SHA has the right to nominate directors on the Board of CPHGC. On completion of the call option, as stated above, the Company shall have the right to nominate another member on the Board of CPHGC.</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 Power Purchase Agreement, Implementation Agreement and Plant and Jetty EPC contracts have been signed. The project has achieved its financial close on January 26, 2018 and is on course to achieve its Commercial Operations by August 2019. First unit of the project was successfully synchronized with national grid on December 28, 2018.</p> <p>In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which offers a return of 27% in ROE terms over the life of the Project, following the COD.</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):

Maximum price at which securities will be acquired	PKR 10 per share or at premium, as applicable.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	The maximum securities would depend on the amount of equity required and the conversion rate at the time of the call divided by par value. Maximum securities would be equivalent to USD 250 Million converted into PKR at the rate prevailing on the date of subscription divided by par value of PKR 10 or at premium per share, as applicable.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 26% (equivalent PKR) through HPHL. The number of securities would depend upon the call made by CPHGC by way of subscription of shares. The maximum percentage holding would, however, be 47.5% (1.5% of which to be transferred to GoB).
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<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. CPHGC 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. The Company shall subscribe to shares of CPHGC at par value of PKR 10 or at premium per share, as applicable.</p>

3. Investment in ThalNovaPower Thar (Private Limited) ("TN")

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

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

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

HPHL*: 38.3%

Thal: 26%

Nova: 24.7%

CMEC Thalnova Power Investments Limited: 10%

Descon Engineering Limited: 1%

*Currently the Company through its subsidiary HPHL holds 37% of shares in TN (to be increased to 38.3% till Financial Close)

The Project Company has been granted a generation license by NEPRA for the Project on February 1, 2017. Letter of Support ("LOS") for the Project has been issued by Private Power and Infrastructure Board ("PPIB") on December 8, 2016. The Project has received an extension to the LOS till June 30, 2019.

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

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

1. Equity Investment in TN through its subsidiary HPHL up to an amount not exceeding USD 50.5 million (or PKR equivalent);
2. Standby letter of credit in an amount not exceeding USD 50.5 million ("Equity SBLC");
3. Sponsor Support Contribution LC in an amount of USD 20 million;
4. Undertaking to arrange and/or provide working capital financing to TN up to an amount of USD 23 million ("Working Capital Financing") in the event TN is unable to arrange financing at the relevant time;
5. Obligations to participate in the put option / commercial risk guarantee up to the amount of USD 17 million;
6. Undertaking to provide Initial Debt Service Reserve Account ("DSRA"), if DSRA shortfall exists up to the amount of USD 14 million;
7. Debt Service Reserve Account ("DSRA") LC for the current DSRA amount i.e. USD 14 million so that Sponsors can withdraw the cash from the DSRA account after Project Completion Date; and
8. Pledge of any shares in TN owned by the Company, through HPHL, in favor of the lenders of TN ("Share Pledge").

a. Equity

Investment in Equity of TN through its subsidiary HPHL

The Company is required by the Lenders of TN to make "investments" directly or through its subsidiary Hub Power Holdings Limited ("HPHL") in TN up to an amount not exceeding USD 50.5 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 TN.

Standby letter of credit in an amount not exceeding USD 50.5 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 SHAs. For the purpose of clarity, please note that the SBLC forms part of the USD 50.5 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 the SSA.

b. Sponsor Support Contribution LC

The Company is required by the lenders of TN to provide a guarantee/standby letter credit for the PKR equivalent of an amount not exceeding USD 20 Million to guarantee an investment in the form of subordinated debt to cover (a) cost overrun / funding shortfall and (b) undertaking to achieve the Commercial Operations Date of the Project.

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 TN 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 maximum amount of the working capital financing to be disbursed at the relevant time shall not exceed USD 23 Million.

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

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

After the project completion date of the Project, the lenders of TN 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 TN 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 USD 14 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 TN in an amount equal to such portion of the DSRA LC that is called upon.

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 USD. Therefore, the Company's exposure (38.3% share) as Sponsor Support for the Put Option would USD 10 Million as primary obligor and USD 7 Million as markup on the forced loan not settled by project company (if any) and any excess exposure on account of USD / PKR devaluation.

f. Share Pledge

With regards to the share pledge, the same does not entail any additional financial commitment of the Company towards TN and is being provided as an additional form of security to the lenders of TN, to secure TN'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.

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

INVESTMENT IN THALNOVA POWER THAR (PRIVATE) LIMITED

A. INVESTMENT IN EQUITY:

Investments in TN up to an amount not exceeding USD 50.5 Million (or PKR equivalent) by way of subscription of shares in TN

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

Information Required	Information Provided
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN")

Basis of relationship	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>	
Earnings per share for the last three years	2018 (0.34) 2017 (0.80) 2016* (0.16)	*Being the first year of incorporation
Break-up value per share, based on latest audited financial statements	Rs. 9.51 per share as of June 2018	
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of June 30, 2018	In '000'
	Total Assets	1,295,002
	Equity	1,117,605
	Current Liabilities	177,396
	Loss for the year	(33,484)
<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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022.</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval.</p> <p>(V) As at March 12, 2019, the Company has invested USD 20 Million in TN. The Company will further invest USD 30.5 Million</p> <p>Non-Funded: Equity SBLC of USD 50.5 Million</p>	
Maximum amount of investment to be made	<p>Where the Board of TN decides that TN 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.</p> <p>The Company may invest an amount not exceeding USD 50.5 million (in equivalent Pakistan Rupees) in cash.</p>	
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.	

	<p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>(I) Justification for investment through borrowings</p> <p>(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) Cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders.</p> <p>(II) Securities and collaterals as required by the Lenders from time to time.</p> <p>(III) Project is anticipated to offer an IRR of 20% in USD following COD.</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds directly or through its subsidiary 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration</p>	<p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by Mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>As at March 12, 2019, the Company has invested USD 20 Million in TN.</p>

	No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.
Any other important details necessary for the members to understand the transaction	The SHAs would be available for inspection of members.

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

Maximum price at which securities will be acquired	Rs. 10 per share or such other rate as may be decided by the board of directors of TN
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 37% (to be increased to 38.3% at the time of FC) (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10 per share.</p>

(B) SPONSOR SUPPORT CONTRIBUTION LC

Investment in an amount not exceeding USD 20 Million (or PKR equivalent)

(ii) investment in the form of equity

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

Information Required	Information Provided
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN")
Basis of relationship	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p>

	Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.	
Earnings per share for the last three years	2018 (0.34) 2017 (0.80) 2016* (0.16) *Being the first year of incorporation	
Break-up value per share, based on latest audited financial statements	Rs. 9.51 per share as of June 2018	
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of June 30, 2018	In '000'
	Total Assets	1,295,002
	Equity	1,117,605
	Current Liabilities	177,396
	Loss for the year	(33,484)
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;	(I) Please see preamble above for project description	
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by Mid of January 2022	
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022	
(IV) Expected time by which the project shall start paying return on investment; and	(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval.	
(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Sponsor support contribution LC of USD 20 Million	
Maximum amount of investment to be made;	USD 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	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD. The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.	
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	(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further	

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

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

Maximum price at which securities will be acquired	Rs. 10 per share or such other rate as may be decided by the board of directors of TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.

Number of securities and percentage thereof held before and after the proposed investment	Present holding - 37% (to be increased to 38.3% at the time of FC) (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10 per share.</p>

(B) SPONSOR SUPPORT CONTRIBUTION LC

(iii) investment in the form of subordinated debt

(c) Disclosures under Regulations 3(a):

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN").										
Basis of relationship	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years	<table> <tr> <td>2018</td><td>(0.34)</td></tr> <tr> <td>2017</td><td>(0.80)</td></tr> <tr> <td>2016*</td><td>(0.16)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.34)	2017	(0.80)	2016*	(0.16)				
2018	(0.34)										
2017	(0.80)										
2016*	(0.16)										
Break-up value per share, based on latest audited financial statements	Rs. 9.51 per share as of June 2018										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2018</p> <table> <tr> <td></td><td>In '000'</td></tr> <tr> <td>Total Assets</td><td>1,295,002</td></tr> <tr> <td>Equity</td><td>1,117,605</td></tr> <tr> <td>Current Liabilities</td><td>177,396</td></tr> <tr> <td>Loss for the year</td><td>(33,484)</td></tr> </table>		In '000'	Total Assets	1,295,002	Equity	1,117,605	Current Liabilities	177,396	Loss for the year	(33,484)
	In '000'										
Total Assets	1,295,002										
Equity	1,117,605										
Current Liabilities	177,396										
Loss for the year	(33,484)										

<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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval</p> <p>(V) Non-Funded: Sponsor support contribution LC of USD 20 Million</p>
Maximum amount of investment to be made	USD 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 USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>(I) Justification for investment through borrowings;</p> <p>(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) Cost benefit analysis</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) Securities and collaterals as required by the Lenders from time to time</p> <p>(III) Project is anticipated to offer an IRR of 20% in USD following COD</p>
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 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>

Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN. Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.
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 TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by Mid of January 2022. In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date. 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, Thal, Nova, and Hubco is available for inspection of members.

(d) Disclosures under Regulation 3(c):

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

(C) WORKING CAPITAL UNDERTAKING

Investment to provide working capital financing to TN in an amount not exceeding USD 23 Million

(i) Investment in the form of equity

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN")										
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. SaleemullahMemon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years;	<table> <tr> <td>2018</td><td>(0.34)</td></tr> <tr> <td>2017</td><td>(0.80)</td></tr> <tr> <td>2016*</td><td>(0.16)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.34)	2017	(0.80)	2016*	(0.16)				
2018	(0.34)										
2017	(0.80)										
2016*	(0.16)										
Break-up value per share, based on latest audited financial statements	Rs. 9.51 per share as of June 2018										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2018</p> <table> <tr> <td></td><td>In '000'</td></tr> <tr> <td>Total Assets</td><td>1,295,002</td></tr> <tr> <td>Equity</td><td>1,117,605</td></tr> <tr> <td>Current Liabilities</td><td>177,396</td></tr> <tr> <td>Loss for the year</td><td>(33,484)</td></tr> </table>		In '000'	Total Assets	1,295,002	Equity	1,117,605	Current Liabilities	177,396	Loss for the year	(33,484)
	In '000'										
Total Assets	1,295,002										
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Current Liabilities	177,396										
Loss for the year	(33,484)										
<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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval</p> <p>(V) Non-Funded: Contractual commitment of USD 23 Million</p>										
Maximum amount of investment to be made;	USD 23 Million (in equivalent Pakistan Rupees).										
Purpose benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ('Project') at a total cost of about USD 527 Million.										

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

(b) Disclosures required under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10 per share or such other rate as may be decided by the board of directors of TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 37% (to be increased to 38.3% at the time of FC) (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10 per share.</p>

(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"	ThalNova Power Thar (Private) Limited ("TN")
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
Earnings per share for the last three years	<p>2018 (0.34)</p> <p>2017 (0.80)</p> <p>2016* (0.16)</p> <p>*Being the first year of incorporation</p>

Break-up value per share, based on latest audited financial statements;	Rs. 9.51 per share as of June 2018
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of June 30, 2018 <div style="text-align: right;">In '000'</div> Total Assets 1,295,002 Equity 1,117,605 Current Liabilities 177,396 Loss for the year (33,484)
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational; (IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	(I) Please see preamble above for project description (II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by Mid of January 2022 (III) The Project is expected to achieve Commercial Operations Date around mid of January 2022 (IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval. (V) Non-Funded: Contractual commitment of USD 23 Million
Maximum amount of investment to be made	USD 23 Million (in equivalent Pakistan Rupees)
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ('Project') at a total cost of about USD 527 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offer an IRR of 20% in USD following the COD.
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	The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN. (I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders (II) Securities and collaterals as required by the Lenders from time to time. (III) Project is anticipated to offer an IRR of 20% in USD following COD
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Equity investment equivalent to 38.3% of the total issued shares of TN

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

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

(D) DSRA SUPPORT

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

(i) investment in the form of equity

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided										
Name of the "associated company"	ThalNova Power Thar (Private) Limited ("TN").										
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years	<table> <tr> <td>2018</td><td>(0.34)</td></tr> <tr> <td>2017</td><td>(0.80)</td></tr> <tr> <td>2016*</td><td>(0.16)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.34)	2017	(0.80)	2016*	(0.16)				
2018	(0.34)										
2017	(0.80)										
2016*	(0.16)										
Break-up value per share, based on latest audited financial statements	Rs. 9.51 per share as of June 2018										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2018</p> <table> <tr> <td></td><td>In '000'</td></tr> <tr> <td>Total Assets</td><td>1,295,002</td></tr> <tr> <td>Equity</td><td>1,117,605</td></tr> <tr> <td>Current Liabilities</td><td>177,396</td></tr> <tr> <td>Loss for the year</td><td>(33,484)</td></tr> </table>		In '000'	Total Assets	1,295,002	Equity	1,117,605	Current Liabilities	177,396	Loss for the year	(33,484)
	In '000'										
Total Assets	1,295,002										
Equity	1,117,605										
Current Liabilities	177,396										
Loss for the year	(33,484)										
<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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to 'TN lenders' approval.</p> <p>(V) Non-Funded: Contractual commitment to provide Initial DSRA SBLC of USD 14 Million; and obligation to provide final DSRA SBLC of USD 14 Million</p>										
Maximum amount of investment to be made;	Initial DSRA SBLC USD 14 Million (or in equivalent Pakistan Rupees) and final DSRA SBLC USD 14 Million (in equivalent Pakistan Rupees)										

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

Any other important details necessary for the members to understand the transaction;	The SHAs would be available for inspection of members.
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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 TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 37% (to be increased to 38.3% at the time of FC) (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10 per share.</p>

(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"	ThalNova Power Thar (Private) Limited ("TN").
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>

Earnings per share for the last three years;	<div> 2018 (0.34) 2017 (0.80) 2016* (0.16) </div> *Being the first year of incorporation
Break-up value per share, based on latest audited financial statements;	Rs. 9.51 per share as of June 2018
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Position as of June 30, 2018 <div> In '000' Total Assets 1,295,002 Equity 1,117,605 Current Liabilities 177,396 Loss for the year (33,484) </div>
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:- (I) Description of the project and its history since conceptualization; (II) Starting date and expected date of completion of work; (III) Time by which such project shall become commercially operational; (IV) Expected time by which the project shall start paying return on investment; and (V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(I) Please see preamble above for project description (II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date ("COD") by Mid of January 2022 (III) The Project is expected to achieve Commercial Operations Date around mid of January 2022 (IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval. (V) Non-Funded: Contractual commitment to provide Initial DSRA SBLC of USD 14 Million; and obligation to provide final DSRA SBLC of USD 14 Million
Maximum amount of investment to be made;	For Initial DSRA USD 14 Million (or in equivalent Pakistan Rupees) and final DSRA USD 14 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 USD 527 Million. In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD. The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.
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	(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>(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) Cost benefit analysis</p>	<p>(II) Securities and collaterals as required by the Lenders from time to time.</p> <p>(III) Project is anticipated to offer an IRR of 20% in USD following COD.</p>
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 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by Mid of January 2022.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	The SHAs would be available for inspection of members.

(b) Disclosures under Regulation 3(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 <i>Shariah</i> compliant products	Facility arrangement fees as charged by respective banks.
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	In the event any amount is invested as a loan the Company shall require TN to pay interest at the standard bank rates, to be mutually agreed between the parties.
Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TN.
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A

Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	<p>Any amount paid as loan to TN pursuant to Performance Guarantee shall be marked as subordinated debt to the TN project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TN.</p> <p>Since it is a non-funded obligation, there is no repayment schedule.</p>
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(E) PUT OPTION/COMMERCIAL RISK GUARANTEE

Investment of an amount not exceeding USD 17 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"	ThalNova Power Thar (Private) Limited ("TN")										
Basis of relationship;	<p>The Company (through its subsidiary HPHL) holds 37% of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years;	<table> <tr> <td>2018</td><td>(0.34)</td></tr> <tr> <td>2017</td><td>(0.80)</td></tr> <tr> <td>2016*</td><td>(0.16)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.34)	2017	(0.80)	2016*	(0.16)				
2018	(0.34)										
2017	(0.80)										
2016*	(0.16)										
Break-up value per share, based on latest audited financial statements;	Rs. 9.51 per share as of June 2018										
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Position as of June 30, 2018</p> <table> <tr> <td></td><td>In '000'</td></tr> <tr> <td>Total Assets</td><td>1,295,002</td></tr> <tr> <td>Equity</td><td>1,117,605</td></tr> <tr> <td>Current Liabilities</td><td>177,396</td></tr> <tr> <td>Loss for the year</td><td>(33,484)</td></tr> </table>		In '000'	Total Assets	1,295,002	Equity	1,117,605	Current Liabilities	177,396	Loss for the year	(33,484)
	In '000'										
Total Assets	1,295,002										
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Current Liabilities	177,396										
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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>(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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval.</p>										

(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Providing security for an amount not exceeding USD 10 Million and Contractual Commitment of USD 7 Million for contingent liability.
Maximum amount of investment to be made;	USD 17 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	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>(I) Justification for investment through borrowings;</p> <p>(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) Cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders.</p> <p>(II) Securities and collaterals as required by the Lenders from time to time.</p> <p>(III) Project is anticipated to offer an IRR of 20% in USD following COD</p>
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 38.3% of the total issued shares of TN.</p> <p>The SHAs contemplate investment in equity of TN by each of the shareholders such that the shares of TN are distributed as follows: The Company holds 38.3% of the total shareholding of TN, the remaining shareholding will be held by Thal Power (Private) Limited 26%, Nova Powergen Limited 24.7%, Descon 1%, and CMEC 10%.</p>
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Mr. Khalid Mansoor is a CEO of the Company also holds directorship in TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;	All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TN is expected to achieve the financial close within the timelines required. TN is committed to ensuring Commercial Operations Date of the Project by Mid of January 2022.

	<p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
Any other important details necessary for the members to understand the transaction;	The Shareholders' Agreement entered between the Company, Thal, Nova, and Hubco is available for inspection of members.

(b) Disclosures under Regulation 3(b)

Maximum price at which securities will be acquired	Rs. 10 per share or such other rate as may be decided by the board of directors of TN.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	Number of securities would be determined by converting the USD investment amount into PKR on the date of subscription and dividing the same by the rate of the shares as decided by the board of directors of TN.
Number of securities and percentage thereof held before and after the proposed investment	Present holding - 37% (to be increased to 38.3% at the time of FC) (equivalent PKR). The number of securities would be determined by the Board of TN by converting the USD investment amount into PKR.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	<p>Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 provides that in case of investment in unlisted equity securities of an associated company or undertaking, the fair value for such securities shall be determined based on the generally accepted valuation techniques and latest financial statements of the associated company. TN is currently not an operational company therefore, the determination of fair value of its shares, provided for in the Regulation cannot be made at this time.</p> <p>PKR 10 per share is the par value of the share and the latest offer price of TN's shares. The Company and other remaining shareholders shall subscribe to shares of TN at PKR 10 per share.</p>

(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"	ThalNova Power Thar (Private) Limited ("TN")
Basis of relationship;	The Company (through its subsidiary HPHL) holds 37%

	<p>of the total issued shares of TN (to be increased to 38.3% at the time of FC).</p> <p>Mr. Khalid Mansoor, CEO of the Company is also on the Board of TN.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TN.</p>										
Earnings per share for the last three years;	<table> <tr> <td>2018</td><td>(0.34)</td></tr> <tr> <td>2017</td><td>(0.80)</td></tr> <tr> <td>2016*</td><td>(0.16)</td></tr> </table> <p>*Being the first year of incorporation</p>	2018	(0.34)	2017	(0.80)	2016*	(0.16)				
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Break-up value per share, based on latest audited financial statements;	Rs. 9.51 per share as of June 2018										
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Total Assets	1,295,002										
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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 Mid of January 2022</p> <p>(III) The Project is expected to achieve Commercial Operations Date around mid of January 2022</p> <p>(IV) The Project is expected to start paying return on investment after the project completion date and subject to TN lenders' approval.</p> <p>(V) Non-Funded: Providing security on Hub Plant assets of an amount not exceeding USD 10 Million and Contractual Commitment of USD 7 Million for contingent liability</p>										
Maximum amount of investment to be made;	USD 17 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	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh, Pakistan ("Project") at a total cost of about USD 527 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by mid of January 2022. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TN as required by the lenders of TN.</p>										

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

(b) Disclosures under Regulation 3(c)

<p>Category-wise amount of investment;</p>	<p>As mentioned above in preamble.</p>
<p>Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products</p>	<p>Facility arrangement fees as charged by respective banks.</p>
<p>Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company</p>	<p>In the event any amount is invested as a loan the Company shall require TN to pay interest at the standard bank rates, to be mutually agreed between the parties.</p>

Particulars of collateral or security to be obtained in relation to the proposed investment	No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TN.
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	N/A
Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	<p>Any amount paid as loan to TN pursuant to Performance Guarantee shall be marked as subordinated debt to the TN project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TN.</p> <p>Since it is a non-funded obligation, there is no repayment schedule.</p>