

PAKGEN POWER LIMITED



October 26, 2020

SECY/Stock Exch/

The General Manager
Pakistan Stock Exchange Ltd
Stock Exchange Building
Stock Exchange Road,
Karachi.

PUCAR / TCS

**SUB: FINANCIAL RESULTS FOR THE 3rd QUARTER
ENDED SEPTEMBER 30, 2020 (UN-AUDITED)**

Dear Sir,

We have to inform you that the Board of Directors of **Pakgen Power Limited** ("the Company") in their meeting held on Monday the 26th of October, 2020 at 12:00 Meridiem at 1-B, Aziz Avenue, Canal Bank Gulberg V, Lahore, recommended the followings: -

i) CASH DIVIDEND

2nd Interim Cash Dividend @ **Re.1/- per share i.e. 10%** for the 3rd Quarter ended September 30, 2020, in addition to the 12.50% First interim cash dividend already paid

ii) BONUS ISSUE

NIL

iii) RIGHT SHARES

NIL

iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

NIL

v) ANY OTHER PRICE SENSITIVE INFORMATION

In accordance with section 96 of the Securities Act, 2015 and clause 5.6.1 of PSX Regulations, we hereby inform you that Pakgen Power Limited (the Company) and the Committee for Negotiations with Independent Private Power Producers notified by Government of Pakistan had entered into a Memorandum of Understanding (MoU), which has been approved by the Board of Directors of the Company in their meeting held today, subject to allowing part load adjustment factor to the Company in the Power Purchase Agreement.

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717159-63, FAX: 92-42-35717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@lalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRANCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-66-2300030, FAX: 92-66-2300260, www.pakgenpower.com

PAKGEN POWER LIMITED



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The terms of the MoU are, inter alia, that the existing capacity payments and variable O&M shall be reduced by 11 %; USD exchange rate and US CPI indexations shall be discontinued on 50% of the reduced capacity payment (which shall be fixed at National Bank of Pakistan's IT/OD selling PKR/USD exchange rate prevailing as on August 12, 2020 without any local or international currency indexation or inflation adjustment for the future); USD exchange rate and US CPI indexations on reduced variable O&M and 50% of the reduced capacity payment shall continue as per existing arrangement; without prejudice to the terms of its generation license the Company will support and participate in the Competitive Trading Arrangement when it is implemented and becomes fully operational Further, the MoU recognizes that payment of receivables of the Company is an integral part of the MoU as key consideration, and the power purchaser and GoP shall devise a mechanism for payment of the outstanding receivables within agreed time period which shall be reflected in the final agreement to be signed; the power purchaser shall ensure adherence to its contractual obligations, and GoP and power purchaser shall work towards resolution of the dispute as per Expert's adjudications.

The terms of the MoU are subject to the approval of Federal Cabinet and the Company shall agree and document details and procedures of the understandings, along with the Company's specific issues within an agreed timeframe, after which the same shall be submitted to relevant counterparties, to be followed by legal documentation to amend the tariffs and relevant agreements.

The Condensed Interim Profit and Loss Account for the 3rd Quarter ended September 30, 2020, of the Company along with comparative results are as follows: -

	PERIOD ENDED		QUARTER ENDED	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(..... Rupees in thousand)			
REVENUE	8,626,338	10,095,063	3,632,570	3,360,866
COST OF SALES	<u>(4,258,650)</u>	<u>(6,877,367)</u>	<u>(2,282,405)</u>	<u>(2,143,892)</u>
GROSS PROFIT / (LOSS)	4,367,688	3,217,696	1,350,165	1,216,974

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PAKGEN POWER LIMITED



N I S H A T

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ADMINISTRATIVE EXPENSES	(230,787)	(150,508)	(116,046)	(55,601)
OTHER EXPENSES	(2,429)	(2,468)	(1,134)	(1,080)
OTHER INCOME	47,624	128,156	9,327	50,717
PROFIT / (LOSS) FROM OPERATIONS	4,182,096	3,192,876	1,242,312	1,211,010
FINANCE COST	(861,085)	(1,086,742)	(177,774)	(428,784)
PROFIT / (LOSS) BEFORE TAXATION	3,321,011	2,106,134	1,064,538	782,226
TAXATION	-	-	-	-
PROFIT / (LOSS) AFTER TAXATION	3,321,011	2,106,134	1,064,538	782,226
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	3,321,011	2,106,134	1,064,538	782,226
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	8.93	5.66	2.86	2.10

BOOK CLOSURE NOTICE FOR ENTITLEMENT OF 2nd INTERIM CASH DIVIDEND @ 10% FOR THE QUARTER ENDED SEPTEMBER 30, 2020:-

The Share Transfer Books of Ordinary Shares of the Company will remain closed from 17-11-2020 to 23-11-2020 (both days inclusive) for entitlement of 2nd Interim **10% Cash Dividend (i.e. Rs.1/- Per Ordinary Share)** Physical transfers / CDS Transactions IDs received in order up to 1:00 p.m. on 16-11-2020 at Share Registrar Office, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi will be considered in time for entitlement of above said 10% Interim Cash Dividend

Disclosure form in terms of Section 96 of the Securities Act 2015 is attached for information and circulation amongst the members of the Exchange.

PAKGEN POWER LIMITED



(4)

We will send you required copies of printed Un-Audited Financial Statements of the Company for the 3rd Quarter ended September 30, 2020 for distribution amongst the members of the Exchange in due course of time.

Thanking you,

Yours truly,


(KHALID MAHMOOD CHOCHAN)
COMPANY SECRETARY

Copy To:-

The Director / HOD,
Surveillance, Supervision and Enforcement Department,
Securities & Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue,
Blue Area,
ISLAMABAD.

Fax No. (051) 9100440 / TCS

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DISCLOSURE FORM

INTERMS OF SECTION 96 OF THE SECURITIES ACT, 2015

Name of the Company	:	Pakgen Power Limited
Date of Report (Date of earliest event reported if applicable)	:	N/A
Address of Registered Office	:	Nishat House, 53-A, Lawrence Road, Lahore.
Contact Information	:	Company Secretary, Nishat House, 53-A Lawrence Road, Lahore.

DISCLOSURE OF INSIDE INFORMATION BY LISTED COMPANY IN TERMS OF SECTION 96 OF THE SECURITIES ACT 2015.

The Board of Directors of **Pakgen Power Limited** in their meeting held on 26th of October, 2020, at 12:00 Meridiem. at 1-B, Aziz Avenue, Canal Bank, Gulberg V, Lahore, approved the following :-

CASH DIVIDEND

cash dividend @ 10% [i.e. Re. 1 (Rupee One Only)] per share for the Quarter ended September 30, 2020. This is in addition to interim cash dividend already paid at Re.1.25/- per share i.e. 12.50%.

ANY OTHER PRICE SENSITIVE INFORMATION

In accordance with section 96 of the Securities Act, 2015 and clause 5.6.1 of PSX Regulations, we hereby inform you that Pakgen Power Limited (the Company) and the Committee for Negotiations with Independent Private Power Producers notified by Government of Pakistan had entered into a Memorandum of Understanding (MoU), which has been approved by the Board of Directors of the Company in their meeting held today, subject to allowing part load adjustment factor to the Company in the Power Purchase Agreement.

The terms of the MoU are, inter alia, that the existing capacity payments and variable O&M shall be reduced by 11 %; USD exchange rate and US CPI indexations shall be discontinued on 50% of the reduced capacity payment (which shall be fixed at National Bank of Pakistan's IT/OD selling PKR/USD exchange rate prevailing as on August 12, 2020 without any local or international currency indexation or inflation adjustment for the future); USD exchange rate and US CPI indexations on reduced variable O&M and 50% of the reduced capacity payment shall continue as per existing arrangement; without prejudice to the terms of its generation license the Company will support and participate in the Competitive Trading Arrangement when it is implemented and becomes fully operational Further, the MoU recognizes that payment of receivables of the Company is an integral part of the MoU as key consideration,

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and the power purchaser and GoP shall devise a mechanism for payment of the outstanding receivables within agreed time period which shall be reflected in the final agreement to be signed; the power purchaser shall ensure adherence to its contractual obligations, and GoP and power purchaser shall work towards resolution of the dispute as per Expert's adjudications.

The terms of the MoU are subject to the approval of Federal Cabinet and the Company shall agree and document details and procedures of the understandings, along with the Company's specific issues within an agreed timeframe, after which the same shall be submitted to relevant counterparties, to be followed by legal documentation to amend the tariffs and relevant agreements.

THE FINANCIAL RESULTS OF THE COMPANY ARE AS UNDER:-

The financial results of the Company for the 3rd Quarter ended September 30, 2020 are given hereunder:-

	PERIOD ENDED		QUARTER ENDED	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	(..... Rupees in thousand)			
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Signatures

In case of company, pursuant to the requirements of the Section 96 of the Securities Act 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

October 26, 2020


Khalid Mahmood Chohan
Company Secretary

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