

**NOTICE OF
EXTRA ORDINARY GENERAL MEETING**



PAKGEN POWER LIMITED

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting (EOGM) of the Members of Pakgen Power Limited (the "Company") will be held on October 24, 2019 (Thursday) at 11:30 a.m. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, to transact the following business:

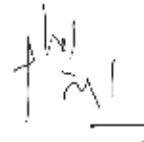
Special Business:-

To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s).

RESOLVED that approval of the members of Pakgen Power Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for renewal of investment up to PKR 500,000,000/- (Rupees Five Hundred Million Only) in the form of working capital loan extended to Nishat Hotels and Properties Limited ("NHPL"), an associated company, to the date of forthcoming Annual General Meeting from the date of approval by the members, subject to the availability of funds, provided that the return on any outstanding amount of loan shall be 1 Month KIBOR plus 100 bps (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the average borrowing cost of the Company) and as per other terms and conditions of the agreement in writing and as disclosed to the members.

FURTHER RESOLVED the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

BY ORDER OF THE BOARD



KHALID MAHMOOD CHOHAN
Company Secretary

September 20, 2019
Lahore

NOTES:

1. BOOK CLOSURE NOTICE:-

The Share Transfer Books of the Company shall remain closed from 18-10-2019 to 24-10-2019 (both days inclusive) for attending and voting at EOGM. Physical transfers/CDS transactions/IDs, received in order at Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, up to 1:00 p.m. on 17-10-2019 will be considered in time for attending of EOGM.

2. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company.
3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board’s 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

- a. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e. In case of corporate entity, the Board’s resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
5. Members are requested to timely notify any change in their addresses.

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 07 days prior to the date of the meeting on the Standard Form which can be downloaded from the company’s website: www.Pakgenpower.com.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

This statement sets out the material facts pertaining to the special business to be transacted at the Extraordinary General Meeting of the Company to be held on October 24, 2019.

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 12,000,000,000/- (Rupees Twelve Billion Only) divided into 1,200,000,000 (One Billion Two Hundred Million) ordinary shares of PKR 10 each. Its main object is to carry on retail and hospitality business in Pakistan. For the intended purpose, NHPL has acquired site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town, Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational from September 2016. Hotel has been opened from 20th May 2017 and 198 rooms are fully operational. The Building has a covered area of 2.742 Million Square Feet comprising the following building components (3 basements, ground floor and 11 floors):

- 4 star Hotel with 198 rooms
- Banquet halls
- Carre Four
- Shopping Mall with following features:
 - o Retail
 - o Food courts
 - o Cineplex
 - o Fun Factory
 - o Health and Leisure Zones
 - o Two basements with 2,815 parking bays for cars and motorcycles.

Since NHPL has achieved commercial operation of hotel, short term finance is needed by NHPL for meeting expense of staff salary, power generation, maintenance of HVAC and other working capital requirements.

Considering the average borrowing rate of the Company and the return offered by Banks on term deposits, the Directors of the Company in their meeting held on September 20, 2019 has recommended working capital loan upto PKR 500 million to be extended to NHPL at the interest rate of 1 Months KIBOR plus 100 bps (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) or borrowing cost of the Company whichever is higher) for a further period to the date of forthcoming Annual General Meeting from the date of this EOGM i.e. October 24, 2019 on the terms and conditions of loan agreement in writing and as disclosed to the members.

Repayment of the principle amount of loan will be made to the date of forthcoming Annual General Meeting with payment of interest due on monthly basis. The management expects significant financial gains for the Company through higher interest rates charged to NHPL which will eventually enhance the return on investment to the members of the Company.

The directors of the Company certify / undertake that the investment is being made after due diligence and financial health of the borrowing company is such that it has the ability to repay the loan as per agreement. The duly signed recommendation of the due diligence report and directors undertaking/certificate shall be made available to the members for inspection at the meeting.

NHPL is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Hassan Mansha	3.93

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments:																																				
(A) Disclosure regarding associated company																																				
(i)	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited (NHPL)																																		
(ii)	Basis of Relationship	Common Directorship																																		
(iii)	Earnings / (Loss) per Share for the last three years	<table border="1"> <thead> <tr> <th>Sr.</th> <th>Year</th> <th>Earnings / (Loss) per Share Rs.</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>2019</td> <td>1.42</td> </tr> <tr> <td>2.</td> <td>2018</td> <td>(0.30)</td> </tr> <tr> <td>3.</td> <td>2017</td> <td>(0.23)</td> </tr> </tbody> </table>	Sr.	Year	Earnings / (Loss) per Share Rs.	1.	2019	1.42	2.	2018	(0.30)	3.	2017	(0.23)																						
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(iv)	Break-up value per Share, based on last audited financial statements	PKR 18.09 per share as at 30 June 2019.																																		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest (an-audited) financial statements as on 30 Jun, 2019.	<p>Audited financial statements as at 30th June 2019:</p> <p style="text-align: right;">Rs. in millions</p> <table border="1"> <thead> <tr> <th colspan="2">Balance Sheet:</th> </tr> </thead> <tbody> <tr> <td colspan="2">Assets</td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: right;">34,902</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">2,170</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right; border-top: 1px solid black;">37,072</td> </tr> <tr> <td colspan="2">Liabilities</td> </tr> <tr> <td>Borrowings</td> <td style="text-align: right;">9,127</td> </tr> <tr> <td>Other liabilities</td> <td style="text-align: right;">9,857</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">18,984</td> </tr> <tr> <td>Equity</td> <td style="text-align: right; border-top: 1px solid black;">18,088</td> </tr> <tr> <td colspan="2">Profit & loss:</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">4,233</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">1,740</td> </tr> <tr> <td>Gross Profit Ratio</td> <td style="text-align: right;">41.11%</td> </tr> <tr> <td>Net Profit after tax</td> <td style="text-align: right;">1,376</td> </tr> <tr> <td>Net Profit after tax Ratio</td> <td style="text-align: right;">32.50%</td> </tr> <tr> <td>EPS</td> <td style="text-align: right;">1.42</td> </tr> </tbody> </table>	Balance Sheet:		Assets		Non-current assets	34,902	Current assets	2,170	Total assets	37,072	Liabilities		Borrowings	9,127	Other liabilities	9,857		18,984	Equity	18,088	Profit & loss:		Sales	4,233	Gross Profit	1,740	Gross Profit Ratio	41.11%	Net Profit after tax	1,376	Net Profit after tax Ratio	32.50%	EPS	1.42
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(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely		N/A
	I	Description of the project and its history since conceptualization	N/A
	II	Starting date and expected date of completion of work	N/A
	III	Time by which such project shall become commercially operational	N/A
	IV	Expected time by which the project shall start paying return on investment	N/A
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	N/A
(B) General Disclosures:			
(i)	Maximum amount if investment to be made		Upto PKR 500,000,000 (Pak Rupees Five Hundred Million only)
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		<p>Purpose: Working Capital needs of the associated Company.</p> <p>Benefits: The Company will earn better return from investment.</p> <p>The investment in NHPL will be for a period of one (1) years and shall payable within one(1) year from the date of approval by the members unless renewed by the members under Section 199 of the Companies Act, 2017.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		Company's own funds.
	(I)	Justification for investment through borrowings	N/A
	(II)	Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	N/A
	(III)	Cost of benefit analysis	N/A
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment		<p>Agreement will be signed after approval by the members. Significant terms and conditions are as under:</p> <p>1. Interest due on outstanding amount of loan shall be paid by</p>

		<p>the associated company on monthly basis on 20th of every month starting from the next month.</p> <ol style="list-style-type: none"> 2. In case of delay in re-payment of principal and interest, an additional sum equivalent to 7.50% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by Nishat Hotels and Properties Limited to Pakgen Power Limited in addition to the agreed interest amount. 3. All payments under the loan agreement shall be made through crossed cheque. 4. The associated company shall provide corporate guarantee to secure extension of loan. 																																														
(v)	<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>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors of Pakgen Power Limited (Pakgen), their relatives and associated companies holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding as under:-</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Director:</u></th> <th style="text-align: right;"><u>% of Shareholding</u></th> </tr> </thead> <tbody> <tr> <td>Mian Hassan Mansha (Common Director)</td> <td style="text-align: right;">21.82</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2"><u>Relatives:</u></td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">21.82</td> </tr> <tr> <td>Mian Raza Mansha</td> <td style="text-align: right;">21.69</td> </tr> <tr> <td>Both brothers of Mian Hassan Mansha.</td> <td></td> </tr> <tr> <td>Mrs. Iqraa Hassan Mansha (Spouse of Mian Hassan Mansha)</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2"><u>Associated Companies</u></td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">7.40</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">7.40</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2">The directors of NHPL are interested in Pakgen to the extent of their shareholding as under:-</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="text-align: left;"><u>Name</u></td> <td style="text-align: right;"><u>% of Shareholding</u></td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">3.93</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td colspan="2">The associated Companies holding shares of NHPL are interested in Pakgen to the extent of their shareholding as follows:</td> </tr> <tr> <td colspan="2"> </td> </tr> <tr> <td style="text-align: left;"><u>Name</u></td> <td style="text-align: right;"><u>% of Shareholding</u></td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">27.55</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">1.72</td> </tr> </tbody> </table>	<u>Director:</u>	<u>% of Shareholding</u>	Mian Hassan Mansha (Common Director)	21.82	 		<u>Relatives:</u>		Mian Umer Mansha	21.82	Mian Raza Mansha	21.69	Both brothers of Mian Hassan Mansha.		Mrs. Iqraa Hassan Mansha (Spouse of Mian Hassan Mansha)	0.00	 		<u>Associated Companies</u>		Nishat Mills Limited	7.40	Security General Insurance Co. Ltd.	7.40	 		The directors of NHPL are interested in Pakgen to the extent of their shareholding as under:-		 		<u>Name</u>	<u>% of Shareholding</u>	Mian Hassan Mansha	3.93	 		The associated Companies holding shares of NHPL are interested in Pakgen to the extent of their shareholding as follows:		 		<u>Name</u>	<u>% of Shareholding</u>	Nishat Mills Limited	27.55	Security General Insurance Co. Ltd.	1.72
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(vi)	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	The Company has provided NHPL a loan of Rs. 1 billion as working capital. The Company has already earned Rs. 115 million as mark-up income on said loan since such loan is provided to NHPL. The price for this loan would increase, subject to approval by members, in line with prevailing situation of financial market.
(vii)	Any other important details necessary for the members to understand the transaction	None
Additional disclosure regarding investment in the form of Loan/Advance		
(i)	Category-wise amount of investment	Running Finance Loan upto PKR 500,000,000 (Pak Rupees Five Hundred Million Only).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return unfunded facilities, as the case may be, for the relevant period.	The current average borrowing cost of the Company is 1 Month KIBOR + 0.49%. 1 Months KIBOR as on September 20, 2019 is 13.80%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	1 Months KIBOR +100 bps. (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher) 1 Month KIBOR as on September 20, 2019 is 13.80%.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Corporate Guarantee of the associated company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made to the date of forthcoming Annual General Meeting from the date of approval by the members while payment of interest due will be made on monthly basis.

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Lalpir Power Limited	Nishat Hotels and Properties Limited
Total Investment Approved:	Investment by way of loan/advance of Rs 1,000,000,000 (Rupees One Billion Only) was approved by members in AGM held on April 30, 2019 for the period of 1 year from the date of approval by members.	Equity investment upto Rupees 200 million was approved by members in AGM held on April 30, 2019 for the period of three (3) years.
Amount of Investment Made to date:	Investment of Rupees 833 million has been made against this approval to date.	Nil
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	No deviation from the approved time line.	The management is evaluating appropriate time to make equity investment in NHPL.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2018, the earnings per share was Rs.1.97 and breakup value per share was Rs. 34.68 As per latest available half yearly financial statements for the half year ended June 30, 2019 the earnings per share is Rs.2.77 and breakup value per share is Rs. 37.20.	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2018, the basic loss per share was Rs.0.30 and breakup value per share was Rs. 12.65. As per latest available annual financial statements for the year ended June 30, 2019 the basic profit per share is Rs. 1.42 and breakup value per share is Rs. 18.09.

PAKGEN POWER LIMITED

Form of Proxy

I/We _____

of _____

being a member of Pakgen Power Limited, hereby appoint _____

of _____

or failing him/her _____

of _____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on October 24, 2019 (Thursday), at 11:30 a.m at The Nishat Hotel, Trade and Fiance Centre Block, Near Expo Centre, Abdul Haq Road, Lahore.

as witness may hand this _____ day of _____ 2019

Signed by the said member _____

in presence of _____

Please
affix
revenue
stamp
Rs. 5

Signature(s) of members(s)

Signature of witness

Name

Address

.....

CNIC #

Signature of witness

Name

Address

.....

CNIC #

Please quote:

Folio No.	Shares held	CDC A/C. No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at Nishat House, 53-A, Lawrence Road, Lahore not later than 48 hours before the time to holding the general meeting.

پاک چین پاور لمیٹڈ

پراکسی فارم

میں / ہم / مسماۃ / مسماۃ / ساکن / ساکن / ضلع /

بمبیت ممبر کمپنی، مسماۃ / مسماۃ / ساکن / ساکن / کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ اور

میری / ہماری طرف سے کمپنی کے غیر معمولی اجلاس عام جو کہ بتاریخ ۱۲۳ اکتوبر ۲۰۱۹ء بوقت صبح 11:30 بجے نشاط ہوٹلز، ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپو سنٹر، عبدالمنن روڈ، جوہانہ، لاہور۔

دستخط بتاریخ _____ دن _____ ۲۰۱۹ء

پانچ روپے کی ریلینوسٹپ
چسپاں کریں

گواہ کے کوائف

دستخط: _____
نام: _____
پتہ: _____
کمپیوٹر آئڈنٹیفیکیشن کارڈ نمبر: _____

گواہ کے کوائف

دستخط: _____
نام: _____
پتہ: _____
کمپیوٹر آئڈنٹیفیکیشن کارڈ نمبر: _____

دستخط: _____
(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہیں)

فولیو نمبر: _____
سی ڈی سی کھاتہ نمبر: _____
حصص کی تعداد: _____

اہم:

پراکسی فارم، کمپنی کے رجسٹرڈ آفس، نشاط ہاؤس، 53-A، لارنس روڈ، لاہور، میں اجلاس کے انعقاد سے کم از کم ۳۸ گھنٹے قبل جمع کرانا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔

BOOK POST

If undelivered please return to:



PAKGEN POWER LIMITED

Nishat House
53-A, Lawrence Road Lahore.
Ph: 042-111-11-3333