

PAKGEN POWER LIMITED



SECY/Stock Exch/

January 26, 2021

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

Dear Sir,

Subject: Material Information

In accordance with the applicable provisions of the Securities Act, 2015 and Rule Book of Pakistan Stock Exchange Limited, we are pleased to convey the following information:

"Pakgen Power Limited (the "Company") and the Central Power Purchasing Agency (Guarantee) Limited (the "Power Purchaser") have initialed "Master Agreement" and "PPA Amendment Agreement" on January 21, 2021. The formal signing of these agreements is subject to approvals of the Board of Directors of the Company, other stakeholders and regulatory approvals.

The terms of the Master Agreement are, inter alia:

- (a) that the Government of Pakistan intends to create a competitive power market. Without prejudice to the terms of generation license, the Company shall actively support and participate in the competitive trading arrangement when it is implemented and becomes fully operational.*
- (b) The Power Purchaser shall assist and support the Company in Tax issues with Federal Board of Revenue for early and positive resolution of all ongoing cases including apportionment of input tax on Capacity Purchase Price invoice, minimum tax on Capacity Purchase Price invoice, and taxability of late payment charges etc.*

The terms of the PPA Amendment Agreement are, inter alia:

- (a) the Company will submit its invoices with Tariff Discount i.e. (a) on the basis of the applicable Capacity Purchase Price and Variable O&M reduced by 11%, and;*
- (b) USD exchange rate and US CPI indexations shall apply on (i) reduced variable O&M and (ii) 50% of the reduced Escalable Component of the Capacity Purchase Price.*
- (c) The USD exchange rate on 50% of the reduced Escalable Component of the Capacity Purchase Price shall not:*
 - (i) be less than the National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing on the date of the signing of this Amendment;*
 - (ii) exceed the exchange rate of PKR 168.60/USD 1 (the rate prevailing on the 12.08.2020, the date of signing of the MoU).*

Contd.P/2

HEAD OFFICE

REGISTERED OFFICE

POWER STATIONS

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-36717898-99, 36717158-83, FAX: 92-42-36717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@lafpir.com

: NISHAT HOUSE, 63/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42-36367414

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARABAD, PC-34200, PAKISTAN. TEL: 92-98-2300030 FAX: 92-98-2300280 www.nishatpower.com

PAKGEN POWER LIMITED



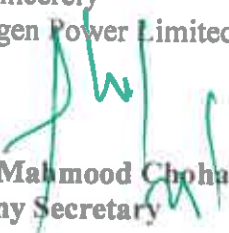
(2)

Provided that, when the exchange rate reaches PKR 168.60/USD 1 (for invoicing purpose under this Amendment), the same shall be locked for 50% of the reduced Escalable Component of the Capacity Purchase Price for the remainder of the Term of the PPA. Further provided that the US CPI indexation on 50% of the reduced Escalable Component of the Capacity Purchase Price shall be the rate applicable for the Month of August 2020. Moreover, when the exchange rate reaches PKR 168.60/USD 1, then the USD exchange rate for indexations shall be as per the National Bank of Pakistan's TT/OD selling PKR/USD exchange rate on the remaining 50% of the reduced Escalable Component of the Capacity Purchase Price.

- (d) *The total outstanding amount as on 30th November 2020 will be paid within one year. Furthermore, the Parties shall in good faith attempt to amicably resolve the outstanding ICC Award/ Expert's determination.*
- (e) *In the event of any default by the Power Purchaser under this Amendment, the Company shall suspend giving Tariff Discount from the date of default; provided however, if such default is not cured within a period of seventy Days, this Amendment shall terminate automatically with no rights and obligations of either party arising out of the termination of this Amendment."*

A disclosure form is attached herewith. You may please inform the members of your Exchange, accordingly.

Yours Sincerely
For Pakgen Power Limited


Khalid Mahmood Chohan
Company Secretary

Copy to :

Director/HOD
Surveillance, Supervision and Enforcement Department
Security and exchange commission of Pakistan
NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad

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: LALPUR THERMAL POWER STATIONS, P.O. BOX NO. 99, MUZAFFARGARH, PC-34290, PAKISTAN TEL: 92-99-2300090 FAX: 92-99-2300090

PAKGEN POWER LIMITED



PAKGEN POWER LIMITED DISCLOSURE FORM (Securities Act, 2015)

26 January, 2021

Name of the Company	Pakgen Power Limited
Date of Report (Date of earliest event reported if applicable)	19 August, 2020
Exact Name of the Company as specified in its Memorandum	Pakgen Power Limited
Registered address of the Company	Nishat House, 53-A, Lawrence Road, Lahore.
Contact Information	Mr. Khalid Mahmood Chohan Company Secretary Tel: +92 42 36301654 Fax: +9242 36367414
Disclosure of inside information by the Company in terms of Securities Act, 2015	<i>"Pakgen Power Limited (the "Company") and the Central Power Purchasing Agency (Guarantee) Limited (the "Power Purchaser") have initialed "Master Agreement" and "PPA Amendment Agreement" on January 21, 2020. The formal signing of these agreements is subject to approvals of the Board of Directors of the Company, other stakeholders and regulatory approvals.</i> <i>The terms of the Master Agreement are, inter alia:</i> <i>(a) that the Government of Pakistan intends to create a competitive power market. Without prejudice to the terms of generation license, the Company shall actively support and participate in the competitive trading arrangement when it is implemented and becomes fully operational.</i> <i>(b) The Power Purchaser shall assist and support the Company in Tax issues with Federal Board of Revenue for early and positive resolution of all ongoing cases including apportionment of input tax on Capacity Purchase Price invoice, minimum tax on Capacity Purchase Price invoice, and taxability of late payment charges etc.</i> <i>The terms of the PPA Amendment Agreement are, inter alia:</i> <i>(a) the Company will submit its invoices with Tariff Discount i.e. (a) on the basis of the applicable Capacity Purchase Price and Variable O&M reduced by 11%, and;</i> <i>(b) USD exchange rate and US CPI indexations shall apply on (i) reduced variable O&M and (ii) 50% of the reduced Escalable Component of the Capacity Purchase Price.</i> <i>(c) The USD exchange rate on 50% of the reduced Escalable Component of the Capacity Purchase Price shall not:</i>

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

: LAIPR THERMAL POWER STATIONS, P.O. BOX NO. 88, MUZAFFARRAH, PC-34500, PAKISTAN TEL: 92-90-2500030 FAX: 92-90-2500290 www.natocomm.com

PAKGEN POWER LIMITED



N I S H A T

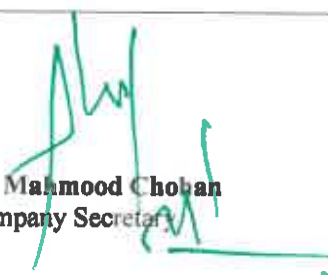
(i) be less than the National Bank of Pakistan's TT/OD selling PKR/USD exchange rate prevailing on the date of the signing of this Amendment;

(ii) exceed the exchange rate of PKR 168.60/USD 1 (the rate prevailing on the 12.08.2020, the date of signing of the MoU).

Provided that, when the exchange rate reaches PKR 168.60/USD 1 (for invoicing purpose under this Amendment), the same shall be locked for 50% of the reduced Escalable Component of the Capacity Purchase Price for the remainder of the Term of the PPA. Further provided that the US CPI indexation on 50% of the reduced Escalable Component of the Capacity Purchase Price shall be the rate applicable for the Month of August 2020. Moreover, when the exchange rate reaches PKR 168.60/USD 1, then the USD exchange rate for indexations shall be as per the National Bank of Pakistan's TT/OD selling PKR/USD exchange rate on the remaining 50% of the reduced Escalable Component of the Capacity Purchase Price.

(j) The total outstanding amount as on 30th November 2020 will be paid within one year. Furthermore, the Parties shall in good faith attempt to amicably resolve the outstanding ICC Award/ Expert's determination.

(k) In the event of any default by the Power Purchaser under this Amendment, the Company shall suspend giving Tariff Discount from the date of default; provided however, if such default is not cured within a period of seventy Days, this Amendment shall terminate automatically with no rights and obligations of either party arising out of the termination of this Amendment."


Khalid Mahmood Chohan
Company Secretary

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: 1 AIDIR THERMAL POWER STATION ON RHY 400 KV LINE AT FATAHABAD DISTRICT PAKISTAN TEL: 09.88.9188910 FAX: 09.88.9188910 www.nishatpower.com