HUB POWER HOLDINGS LIMITED

Financial Statements

For the period from March 10, 2015 to June 30, 2015
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of HUB POWER HOLDINGS LIMITED ("the Company") as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the period from March 10, 2015 to June 30, 2015 and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:
   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies adopted;
   (ii) the expenditure incurred during the period was for the purpose of the Company's business; and
   (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the loss, total comprehensive income, its cash flows and changes in equity for the period from March 10, 2015 to June 30, 2015; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Engagement Partner:
Asad Ali Shah
Dated: July 28, 2015
Place: Karachi
HUB POWER HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM MARCH 10, 2015 TO JUNE 30, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Registration and filing charges</td>
<td>(897,900)</td>
</tr>
<tr>
<td>Fee for increase in authorised share capital</td>
<td>(2,400,635)</td>
</tr>
<tr>
<td>Audit fee</td>
<td>(50,000)</td>
</tr>
<tr>
<td><strong>LOSS FOR THE PERIOD</strong></td>
<td><strong>(3,348,535)</strong></td>
</tr>
</tbody>
</table>

The annexed notes from 1 to 7 form an integral part of these financial statements.

Chief Executive

Director
HUB POWER HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM MARCH 10, 2015 TO JUNE 30, 2015

For the period from
March 10, 2015 to
June 30, 2015

Amount in Rupees

Loss for the period  (3,348,535)

Other comprehensive income for the period

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD  (3,348,535)

The annexed notes from 1 to 7 form an integral part of these financial statements.

Chief Executive

Director
HUB POWER HOLDINGS LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

June 30, 2015
Amount In Rupees

ASSETS

Current Assets

Cash at Bank

700,000

TOTAL ASSETS

700,000

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorised capital
100,000,000 ordinary shares of Rs. 10 each

1,000,000,000

Issued, subscribed and paid-up capital
70,000 ordinary shares of Rs. 10 each
Accumulated loss

700,000
(3,348,535)

(2,648,535)

Current Liabilities

Payable to The Hub Power Company Limited (Holding Company)
Accrued liabilities

2,400,635
947,900

3,348,535

TOTAL EQUITY AND LIABILITIES

700,000

The annexed notes from 1 to 7 form an integral part of these financial statements.

Chief Executive

Director
HUB POWER HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM MARCH 10, 2015 TO JUNE 30, 2015

For the period from March 10, 2015 to June 30, 2015
Amount in Rupees

Issued capital

Balance at the beginning of the period

Shares issued during the period
70,000 Ordinary shares of Rs. 10 each

700,000

Balance at the end of the period
700,000

Accumulated loss

Balance at the beginning of the period

Total comprehensive income for the period
(3,348,535)

Balance at the end of the period
(3,348,535)

Total equity
(2,648,535)

The annexed notes from 1 to 7 form an integral part of these financial statements.

Chief Executive

Director
HUB POWER HOLDINGS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD FROM MARCH 10, 2015 TO JUNE 30, 2015

For the period from March 10, 2015 to June 30, 2015
Amount in Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (3,348,535)
Increase in payable to The Hub Power Company Limited (Holding Company) 2,400,635
Increase in accrued liabilities 947,900

Net cash from operating activities -

CASH FLOWS FROM INVESTING ACTIVITIES -

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of shares 700,000

Net cash from financing activities 700,000

Net increase in cash and cash equivalents 700,000

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period 700,000

The annexed notes from 1 to 7 form an integral part of these financial statements.

[Signatures]
Chief Executive
Director
1. THE COMPANY AND ITS OPERATIONS

Hub Power Holdings Limited (the "Company") was incorporated in Pakistan on March 10, 2015 as a public limited company under the Companies Ordinance, 1984 (the "Ordinance"). The Company is 100% owned subsidiary of The Hub Power Company Limited. The principal activities of the Company are to invest in new business opportunities.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of directives of the Companies Ordinance, 1984 shall prevail.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these financial statements are as follows:

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on savings, call and term deposit accounts.

3.3 Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.4 Trade and other payables

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.
4. **TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of Holding Company, associated companies, including entities with common directors, major shareholders and key management employees. Transactions with related parties are entered into at rates negotiated with them. Transactions carried out with related parties are as under:

For the period from March 10, 2015 to June 30, 2015

<table>
<thead>
<tr>
<th>Amount in Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses paid by the Holding Company</td>
</tr>
<tr>
<td>Remuneration to Chief Executive and Directors</td>
</tr>
</tbody>
</table>

5. **FINANCIAL RISK MANAGEMENT**

Since the Company has been recently incorporated, it is not exposed to market risk. The credit risk is limited to balance with bank, which is held with a branch of foreign bank with good credit rating. The Company has the financial support of the Holding Company to meet its funding requirements. As at June 30, 2015, the Company’s liabilities are all current and due in next financial year.

6. **COMPARATIVE FIGURES**

These financial statements are the first financial statements of the Company and have been prepared for the period starting from the incorporation date, i.e., March 10, 2015 until June 30, 2015. Therefore, comparative figures have not been presented.

7. **DATE OF AUTHORISATION**

These financial statements were authorised for issue on July ____, 2015 in accordance with the resolution of the Board of Directors.