



中交产投巴基斯坦电力有限公司

CIHC PAK POWER COMPANY (PVT.) LIMITED

No. CPPC (2022-08) SD-051

August 31, 2022

Registrar

National Electric Power Regulatory Authority ("NEPRA")

NEPRA Tower, Ataturk Avenue-East,

G-5/1, Islamabad

Tw up to En. CPPC

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11/9/22

*- Da (R.O)
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cc Chairman

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Subject: Tariff Modification Petition for 300MW Gwadar Coal Fired Power Generation Project at Gwadar, Baluchistan (the "Project")

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21/9/22

Dear Sir,

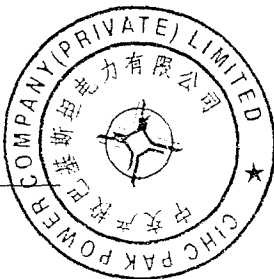
This is with reference to the Tariff Modification Petition submitted vide letter no. No. CPPC (2022-08) SD-047 dated August 25, 2022, please find attached required documents as follows:

- 1) Original Pay Order of PKR **1,869,444.00/-** in favor of National Electric Power Regulatory Authority.
- 2) Comparison Sheet
- 3) FORM 1-15

Best Regards

For & Behalf of CIHC Pak Power Company (PVT.) Limited

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Zhao Bo
Chairman

REGISTRAR OFFICE
Diary No: 8963
Date: 1-9-2022

COMPARISON SHEET

Parameters	Original Petition	Original Determination	Revised Determination	Company Request
EPC Cost	USD 369.89 mn	USD 236.13 mn, referred to clause 10.50 of the original determination	USD 321.41 mn, referred to clause 6.73 of revised determination	USD 403 mn
Sinosure Fee	Option for Buyer's Credit Policy/Oversea s Investment Insurance	Overseas Investment Insurance Policy, referred to clause 6.103 & 6.104 of the revised determination		Buyer's Credit Policy
Additional Guarantee Costs DSCR L/C Cost	Sinosure has not changed insurance policy at that time	Sinosure has not changed insurance policy at that time	Sinosure has not changed insurance policy at that time. In 2020 Sinosure made the decision not to cover the government default risk.	Additional Cost is requested to be included as part of annual recurring costs @0.9% of the guaranteed amount. Letter of Credit (LC) Cost in respect to DSRA shall be treated as pass through item at actually at yearly basis
Development Cost	USD 47.87 mn	USD 7.73 mn, referred to clause 11.16 of the original determination	USD 10.5 mn, referred to clause 6.110 of the revised determination	USD 47.87 mn(incurred cost included)

API-4 as the index for Coal Pricing	API-4	API-3, (referred to clause 6.143 of the revised determination)		API-4
Taxes and Duties		Clarification Required		pass through items and project cost items classification
Return on Equity	17.00%	14.00%, referred to clause 21.2 of the original determination	14.00%, referred to clause 6.140 of the revised determination	17.00%
Annual O&M Cost	USD 17.43 mn	USD 9.42 mn, referred to clause 17.6 of the original determination	USD 13.32 mn, referred to clause 6.132 of the revised determination	USD 17.43 mn
Port Handling		Port handling amount is requested to be included in Project Cost		Not finalized the handing cost with operator



**National Electric Power Regulatory Authority
Documents for Application of Generation Tariff Petitions**

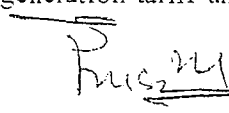
Islamabad, the 15th day of March, 2019

NOTIFICATION

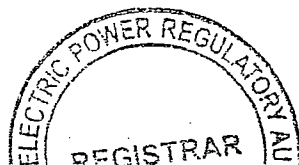
S.R.O. 374 (I)/2019.-In exercise of powers conferred under Section 48 of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997, the Authority hereby notifies the following Forms (Form 1 – 15) for steam turbine based power plants operating on coal, residual furnace oil (RFO), gas, biomass, bagasse, solid waste and nuclear fuel.

- Form 1 General Information of the Power Plant
- Form 2 Breakup of Project Cost
- Form 3 Breakup of capital cost for Coal, RFO, Gas, Bagasse, Biomass, Solid Waste and Nuclear fuel based projects
- Form 4 Detailed Breakup of Non EPC and Project Development Costs
- Form 5 Selection of EPC Contractor / Selection of O&M Contractor
- Form 6 Financing Assumptions
- Form 7 Technical Assumptions
- Form 8 Plant Characteristics for Coal, RFO, Gas, Bagasse, Biomass, Solid Waste and Nuclear fuel based projects
- Form 9 Breakup of Annual O&M Expenses
- Form 10 Calculation of IDC
- Form 11 Calculation of ROE
- Form 12 Comparison with Similar Technology National and International Plants
- Form 13 Calculation of Working Capital
- Form 14 Debt Service Schedule (Typical for Local Currency)
- Form 15 Reference Tariff Table (Fuel, Open Cycle)

These forms are to be submitted with petitions for determination of generation tariff under Rule 3 of the NEPRA (Tariff Standards and Procedure) Rules 1998.


(Syed Safer Hussain)
Registrar

15 03 19



FORMAT FOR DOCUMENTS TO BE SUBMITTED FOR APPLICATIONS FOR GRANT OF GENERATION TARIFF UNDER RULE 3 OF THE NEPRA (TARIFF STANDARDS AND PROCEDURE) RULES 1998, FOR STEAM TURBINE BASED POWER PLANTS OPERATING ON COAL, RESIDUAL FURNACE OIL (RFO), GAS, BIOMASS, BAGASSE, SOLID WASTE AND NUCLEAR FUEL.

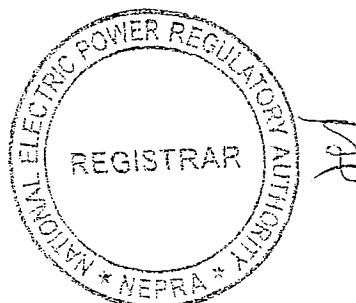
Form I – General Information of the Power Project

General Information of the Power Plant	
Name of the Generation Company:	CIHC Pak power Company (private) Limited
Name of the Power Station	300 MW coal fired power project, Gwadar
Installed Capacity ISO (In MW)	300 MW
Installed under Policy	(the 1994 / 2002 / 2013 / Captive / SPP etc whichever is applicable) 2015
Project Type	Public / Private / PPP etc (whichever is applicable)
Executing Agency	PPIB / AEDB / Energy depts. / KE / G to G / Private (whichever is applicable)
LOI Details	Issued by PPIB / AEDB / Energy depts. / KE etc (whichever is applicable)
Basis	BOO or BOOT. (whichever is applicable)
Location (Region, District, Province):	Haveli Bahadur Shah, Jhang, Punjab etc Gwadar, Baluchistan
Type of Tariff	Cost Plus, Upfront, Competitive, COD Adjustment, Review Motion etc (whichever is applicable)
NEPRA's Applicable Rules / Regulations	Tariff Standard Rules / Upfront Tariff Regulations etc (whichever is applicable)
Type of Technology:	Thermal
Characteristic of Plant:	Steam Turbine
Other Characteristic of Plant: (Boiler Type)	Subcritical boiler / Super Critical / Ultra Super Critical / Advanced Ultra super critical / Nuclear etc (Whichever is applicable)
Other Characteristic of Plant: (Turbine Type)	Condensing / Extraction / Backpressure etc (whichever is applicable)
Fuel Type	Coal/RFO/Gas/HSD/Bagasse/Biomass/ Solid Waste/Nuclear fuel etc (Highlight Primary, alternative and Secondary Fuel) etc
Site Specific Features:	Vicinity to sea / Near to Load centre / Thar Desert etc. (whichever is applicable)
Special Technological Features:	Siemens SST 6000 Turbine etc.
Environmental related Features:	FGD / ESP / CEM etc: (whichever is applicable)
Contract Type	Take and Pay / Take or Pay/ Not Applicable etc (whichever is applicable)
Power Purchaser	CPPAG or DISCO or BPCs or K-Electric etc (whichever is applicable)
Period of the Contract	30 years/ 5 years/ any number of year / Not Applicable etc (Whichever is applicable)
Construction Mode	EPC etc EPC
Water Arrangement	Ground water / Special Arrangement other sources (whichever is applicable) Sea water
Generation License	Issued or under process Issued
IA status	Signed / under process / Not applicable etc (whichever is applicable)
Sovereign Guarantee	Applicable / Not applicable
PPA / EPA status	Signed / under process / Not applicable etc (whichever is applicable)
Fuel Supply Agreement	Coal Supply Agreement / Gas Supply Agreement / Fuel Supply Agreement signed or under process etc (whichever is applicable) (Draft / signed contract be provide upfront)
Coal Jetty	Required / Not Required



Form 2 - Breakup of Project Costs

Description	USD Million or Any other Currency
EPC cost:	321.41 million \$
Offshore EPC Cost	217.37 million \$
Onshore EPC Cost	104.04 million \$
Non EPC Cost:	5.770 million \$
Project Development & Advisors cost	10.50 million \$
Project Management	
O&M Mobilization and Training	3.21 million \$
Land Cost	
Security Surveillance	5.27 million \$
Insurance during construction	2.41 million \$
Testing and Commissioning	2.74 million \$
Custom duties and Cess	As per Actual - COD
Capital Spares	
One Month Escrow Account (If Required)	
Fuel Pipeline Cost	
Backup Fuel Inventory	3 month
CAPEX	
Financing Fees & Charges	5.79 million \$
Interest During Construction	3.99
Misc Premium (e.g. ECA*) / Sinasure Fees	
DSRA**	
Total Project Cost	399 million USD
Total Project Cost MUSD / MW	1.33 million USD
* Export Credit Agency	Sinasure Corporation Limited.
**Debt Servicing Reserve Account	

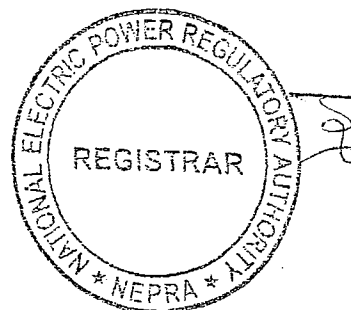


Form 3 – Breakup of Capital Costs for Coal, RFO, Gas, Bagasse, Biomass, Solid Waste and Nuclear Fuel based Projects

	USD (in millions) or Any other Currency
Power Island	
Plant and Equipment:	
Steam Generator Island	
Turbine Generator Island	
Civil works	
Main Plant and Admin building	
CW system	
DM Water Plant	
Clarification Plant	
Chlorination Plant	
Fuel Handling and Storage system	
Ash Handling System (wherever applicable)	
Coal Handling Plant (wherever applicable)	
Cooling Towers	
Road and Drainage	
Fire fighting system	
C&I Package	
Total Plant and Equipment excluding taxes and duties	
Initial Spares	
Balance of Plant	
BOP Mechanical:	
External Water Supply System	
Cooling Water System	
DM Water Plant	
Clarification Plant	
Chlorination Plant	
Fuel Handling and Storage system	
Ash Handling System (wherever applicable)	
Coal Handling Plant (wherever applicable)	
Rolling Stock and Locomotives	
Air Compressor system	
Air condition and ventilation system	
Fire fighting system	
HP/LP piping	
Total BoP Mechanical	
BOP Electrical	



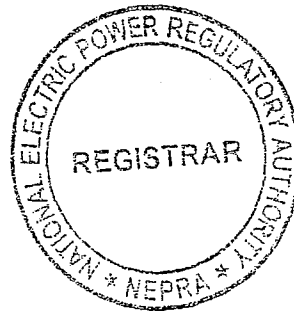
Switch gear Package	
Cables, Cable facilities and grounding	
Lighting	
Emergency D.G set	
Total BoP Electrical	
Ancillary Civil Works:	
Ash disposal area development (wherever applicable)	
Township and Colony	
Temporary construction and enabling works	
Total EPC Cost	
Details of Additional Facilities Required (Yes / No)	
Reverse Osmosis / Desalination Plant	
Railway spur line	
Jetty Details	
FGD plant	
Length of transmission line up to interconnection point	
BOP Spares not part of EPC scope	
Any Variations required from EPC scope	



Form 4 - Breakup of Capital Costs for Coal, KFO, Gas, Bagasse, Biomass, Solid waste and Nuclear Fuel based Projects

Items	Details
Project Development & Advisors cost	Attach Annexure <i>Submitted Already</i>
Project Management	Attach Annexure <i>N/A</i>
O&M Mobilization and Training	Attach Annexure <i>Submitted</i>
Land Cost	Attach Annexure <i>Agreement Attached</i>
Security Surveillance	Attach Annexure <i>Submitted</i>
Testing and Commissioning	Attach Annexure <i>" "</i>
Other Spares if not included in EPC / LTSA	Attach Annexure <i>-</i>
Any Other	Attach Annexure <i>-</i>

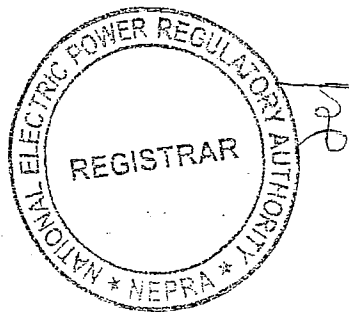
Note: Process of selection and hiring of consultants shall be provided along with relevant agreements.



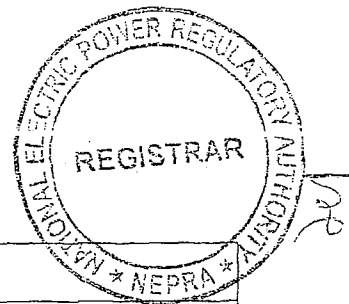
Form 5 – Selection of EPC Contractor / Selection of O&M Contractor

Applicable Framework (please underline or circle)	NEPRA (Selection of Engineering, Procurement and Construction Contractor by Independent Power Producers) Guidelines, 2017 (As amended from time to time)		
	NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017 (As amended from time to time)		
Name / No of Construction / Supply / Service Package	Package A	Package B	Package C
Scope of works			
Awarded through ICB or not?			
No. Of bids received			
Date of award			
Date of start of work			
Date of completion of work			
Value of award			

Note: Provide all details of selection process of EPC Contractor / O&M Contractor including EOI's and RFP's

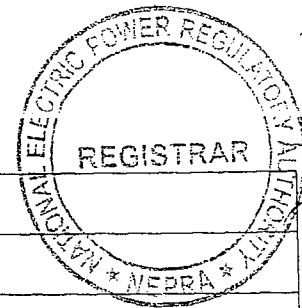


Form 6 - Financial Assumptions



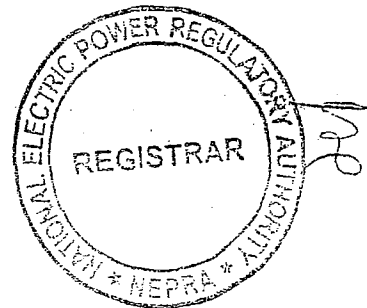
Total Project Cost	Million US \$ / Any other Currency	
Capital Structure		
Debt	Million US \$ / Any other Currency	353.99 million \$
Equity	Million US \$ / Any other Currency	88.50 million \$
Debt % of Total Project Cost	%	
Equity % of Total Project Cost	%	
Debt (Foreign Component)	Million US \$ / Any other Currency	
Debt (Local Component)	Million US \$ / Any other Currency	
Equity (Foreign Component)	Million US \$ / Any other Currency	
Equity (Local Component)	Million US \$ / Any other Currency	
Loans etc.	Million US \$ / Any other Currency	
Construction Period	Months	30 months
Grace Period - Years	No.	3 years
Loan Repayment Period - Years	No.	
Loan Repayment Terms and Details		
Return on Equity	%	14%
Insurance Cost (as % of Total EPC)	%	0.7%
Exchange Rate for US \$ or other relevant currencies	PKR	150 105
KIBOR	%	10.99%
Spread over KIBOR	%	
LIBOR	%	
Spread over LIBOR	%	2.6%
Discount Rate	%	10
Land Required for Power Plant	Acres	207
Indexations on tariff components	Provide details	
Expected Financial Close	dd-mm-year	2
RCOD	dd-mm-year	
COD	dd-mm-year	

Form 7 – Technical Assumptions



Capacity Calculations		
Gross Capacity (ISO)	MWs	
Gross Capacity (RSC)	MWs	150 mu kmt
Auxiliary Load (RSC)	MWs	13.5 mu/unit
Auxiliary Load (RSC)	% of gross capacity	9.1.
Net Capacity (RSC)	MWs	136.5 mu/unit
Annual Net Generation at 100% plant factor	GWh	1016.379 Gwh
Efficiency Calculations: At ISO / MCR (As per OEM) at full load		
Thermal Efficiency Gross LHV ISO/MCR	%	40.93%.
Heat Rate Gross LHV ISO/MCR	Btu/kWh	8295 btu/kwh
Thermal Efficiency Net LHV ISO/MCR	%	37.25%.
Heat Rate Net LHV ISO/MCR	Btu/kWh	9111 btu/kwh
Efficiency Calculations: At RSC (Guaranteed by EPC Contractor) at full load (With and Without Correction Factors)		
Thermal Efficiency Gross LHV RSC	%	40.93%.
Heat Rate Gross LHV RSC	Btu/kWh	8293 btu/kwh
Thermal Efficiency Net LHV RSC	%	37.25%.
Heat Rate Net LHV RSC	Btu/kWh	9111 btu/kwh
Partial Load Curves v/s Heat Rate (Correction Factors)	OEM Curves on OEM Letter head	
Degradation due to aging v/s Heat Rate (Correction Factors)	OEM Curves on OEM Letter head	
Efficiency Sharing Mechanism	Yes / No	
Misc. Information		
Plant Availability	%	Not yet structured 85
Schedule Outage	Days	Nil
Forced Outage	Days	Nil
Maintenance Cycle	Years	
Start /Stops	Allowed in PPA or Not?	
Plant Factor	%	
Project Useful Life	Years	30
Generation Voltage	kV	132

Grid for Interconnection	Nearest Grid Available for Interconnection
Original Equipment Manufacturer (OEM) (Name of OEM Manufacturer)	China
Owners Engineer	
EPC Contractor	Power, China Sepcat Electric power Construction Co. Ltd.
Plant Machinery	New / Used
Status of Studies	Bankable Feasibility Study, Interconnection Study, EIA Study, Simulation Study, Stability Study, Geo technical study etc conducted/Approved or not?
Fuel Details	
Calorific Value of fuel (RFO / Coal / Gas / Bagasse / Biomass / Solid Waste / Nuclear fuel) LHV / HHV	Btu/lb or Btu/Scf
Conversion Factor BTUs/KGs	No.
HHV-LHV Factor	No.
Fuel Price HHV	USD/MMBtu or USD/kg or PKR/kg etc
Fuel Price LHV	USD/MMBtu or USD/kg or PKR/kg etc
Specific fuel Consumption (Gross / Net)	kg/kWh etc (Both gross / net) 0.299 kg / kWh - 10002 btu/lhr
Inland Transportation of Fuel	Yes / No
Adjustment in CV for RFO based projects only	Required / not?
Interconnectivity	
Interconnection Arrangement	220 KV / 132 KV / 11 KV etc



Form 8 – Plant Characteristics for Coal, RFO, Gas, Bagasse, Biomass, Solid Waste and Nuclear Fuel based projects

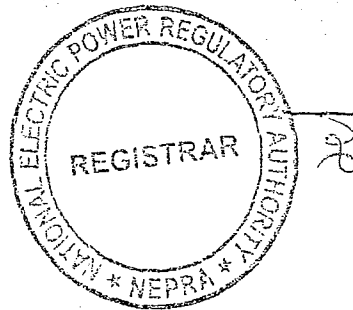
Name of the Company	CIHC Pak Power Company (Private) Limited		
Name of the Power Station	300 MW coal fired power project Guwadar		
Unit(s)/Block(s) Parameters	Unit - I	Unit - II	Unit - III
Name of Boiler Manufacturer	Harbin Boiler Co		
Name of Turbine Generator Manufacturer	Dong Fang Turbine		
Main Steam Pressure at turbine inlet (kg/cm ²) abs ¹	13.75 MPa	13.75 MPa	
Main Steam Temperature at Turbine Inlet (deg C) ¹	538	538	
Main Steam flow at Turbine inlet under MCR condition (tons/hr) ²	463.7	463.7	
Main Steam flow at Turbine inlet under VWO condition (tons/hr) ²	486.9	486.9	
Reheat Steam Pressure at Turbine Inlet (kg/cm ²) abs ¹	3.007 MPa	same	
Reheat Steam Temperature at Turbine Inlet (deg C) ¹	538	"	
Units gross electrical output under MCR / Rated condition (MW) ²	150	"	
Units gross electrical output under turbine VWO condition (MW) ²	158	"	
Design Condenser Back Pressure ((kg/cm ²)(a))	7.4 kPa	"	
Design Cooling Water Temperature (deg C)	29		
Guaranteed Design Gross Turbine Cycle Heat Rate (kcal/kWh) ³	1916.1	"	
Guaranteed Design Gross Turbine Cycle Efficiency (%)	91	"	
Steam Flow at Super heater outlet under MCR condition (tons/hr)	463.7	"	
Steam Pressure at Super heater outlet under MCR condition (kg/cm ²) abs	14.25 MPa	"	
Steam Temperature at Super heater outlet under MCR condition (deg C)	541	"	
Steam Temperature at Reheater outlet under MCR condition (deg C)	541	"	
Design / Guaranteed Boiler Efficiency (%)	92.8	"	
Type of Cooling Tower			
Type of Cooling System ⁴			
Type of Boiler Feed Pump ⁵			
Special Features/Site Specific Features ⁶			
Special Technological Features ⁷			
Environmental Regulation related Features ⁸			



Cooling Method: Dry Cooling / Wet Cooling etc (whichever is applicable)			
Condensate Cooling Mechanism: Once Through / Closed Loop etc (whichever is applicable)			

- 1- At Turbine MCR Condition
- 2- With 0% (Nil) make up and Design Cooling Water Temperature
- 3- At MCR output based on gross generation, 0% (Nil) Makeup and Design Cooling Water Temperature
- 4- Closed Circuit Cooling, once through cooling sea cooling, natural cooling, natural draft cooling, induced draft cooling etc.
- 5 - Motor driven, Steam turbine driven etc.
- 6- Any site specific feature such as Vicinity to sea, Intake/makeup water systems etc. Scrubbers etc. Specify all such features.
- 7 - Any Special Technological feature like Advanced class FA Technology in Gas Turbines etc.
- 8- Environmental regulation related features like FGD, ESP etc.

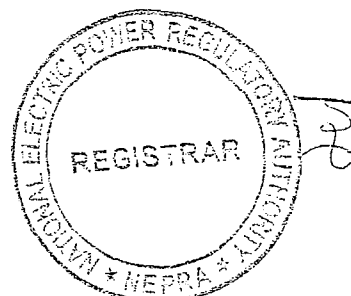
Note 1: Heat Balance Diagrams has to be submitted along with above information in case of new stations.



Form 9 – Breakup of Annual O&M Charges

Variable O&M	USD / kWh
Chemicals and consumables	
Repair and maintenance (Including Initial / Capital spares cost)	
Services and outages cost	
LTSA Variable Cost	
Fixed O&M	USD / kW / hr
Admin Expenses	
Rent	
Electricity Charges	
Travelling and Conveyance	
Telephone	
Advertising	
Entertainment	
Employee Cost	
Details of employees	
Salaries, wages and allowances	
Staff welfare expenses	
Office Expenses	
Security	
Transportation	
Professionals Fees	
Utilities	
Contract Services	
Training	
LTSA Fixed costs	
Initial Spares as a percentage of Plant and Equipment Cost (%)	
Annual O&M Cost as a percentage of Capital Cost (%)	
O&M Contractor (Local/Foreign)	

Note: LTSA Contract / O&M Contract be provide upfront for Approval



Calculation of IDC

Debt Amount **353.99**

US\$ Million or any other currency

KIBOR

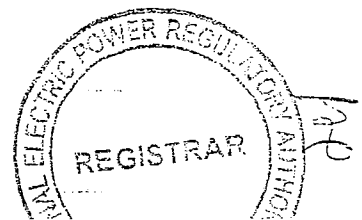
Spread over KIBOR

LIBOR / other **2.6%**

Spread over LIBOR / other

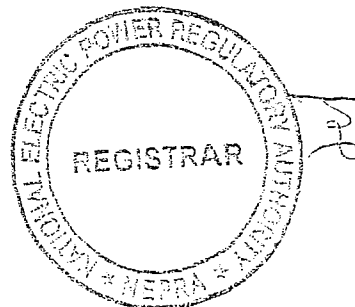
Total Interest Rate **6.6%**

Year	Construction Period			Debt			
	1st Year	2nd Year	3rd Year	Principal	IDC	Fin. Fees	DSRA
Opening Balance					3.99	6.28	3.27
1st Quarter							
Principal Amount							
Interest							
Closing Balance							
Opening Balance							
2nd Quarter							
Principal Amount							
Interest							
Closing Balance							
Opening Balance							
3rd Quarter							
Principal Amount							
Interest							
Closing Balance							
Opening Balance							
4th Quarter							
Principal Amount							
Interest							
Closing Balance							
Total Debt Incl. IDC							



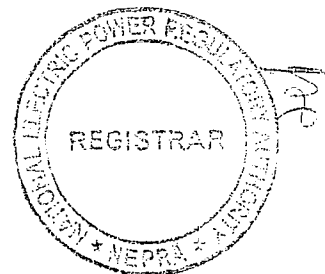
Form 12 – Comparison with Similar Technology National and International Plants

Comparison with Similar Technology National and International Plants			
Project Cost Breakup (Million USD) or any other currency			
EPC cost			
Offshore EPC cost			
Onshore EPC cost			
EPC Cost / MW			
Non EPC cost			
Project Development & Advisors cost			
Project Management			
O&M Mobilization and Training			
Land Cost			
Security Surveillance			
Insurance during construction			
Testing and Commissioning			
Custom duties and Cess			
Capital Spares			
One Month Escrow Account (if required)			
Capex			
Financing Fees and Charges			
Interest during construction			
* ECA Premium			
Total Project Cost			
Project Cost / MW			
Fixed O&M			
Variable O&M			
Export Credit Agency etc.			



Form 13 – Working Capital

Calculation of Working Capital		
Header	Value	Unit
Total Net Capacity		MW
Hours per Day		Hours
Heat Rate		Btu/kWh
Fuel Price		Rs./MMBtu
Daily Requirement of Fuel		MMBtu
() days Fuel Requirement		MMBtu
() days Fuel Cost at full load		Rs.
SBLC Charges (If Applicable)		Rs.
Receivable Requirement:		
Days		
Amount required for _____ days		Rs.
GST @ %		Rs.
Total Amount Required		Rs.
Base Rate		
Spread over KJBOR		
Total Interest Rate		
Cost of Receivables		Rs.
Alternate Inventory of Fuel		
Days		
Heat Rate (Gross Net) & (HHV LHV)		Btu/kWh
CV (Gross Net) & (HHV LHV)		Btus/Litre
Alternate Fuel Requirement for ----days on 60% Load		Litres
Alternate Fuel Price including Sales Tax		
Total Amount Required		
Total cost of Working Capital		
Working Capital Component		Rs./kWh

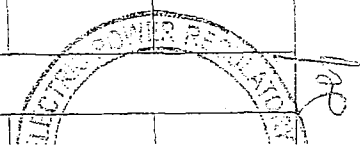


Information Available in Tariff

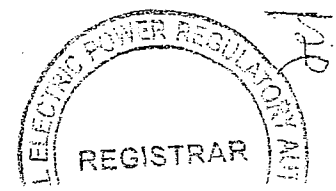
Form 14 - Debt Servicing

Debt Service Schedule (Typical for Local Currency)

Gross Capacity		MWs/US\$/PKR Parity						
Net Capacity		MWs/Debt			US\$ Million			
KIBOR		Debt in Pak Rupees			Rs. Million			
Spread over KIBOR								
Total Interest Rate								
Period	Principal Million Rs.	Principal Repayment Million Rs.	Interest Million Rs.	Balance Million Rs.	Debt Service Million Rs.	Principal Repayment Rs./kW/h	Interest Rs./kW/h	Debt Servicing Rs./kW/h
1								
2								
3								
4								
1st Year								
5								
6								
7								
8								
2nd Year								
9								
10								
11								
12								
3rd Year								
13								
14								
15								
16								
4th Year								
17								



19									
20									
5th Year									
21									
22									
23									
24									
6th Year									
25									
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27									
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7th Year									
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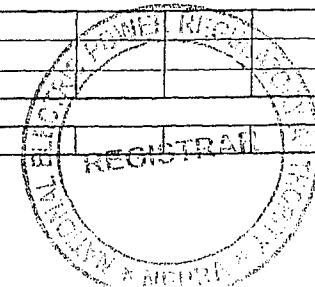


Information provided in Tariff.

Form 15 - Reference Tariff

Year	Energy Purchase Price (Rs./kWh)						Capacity Purchase Price (PKR/kW/Hour)								Total Tariff		
	Fuel	Ash / Dagasse waste Disposal	Water Charges	Limestone	Var. O&M	Total EPP	Fixed O&M local	Fixed O&M foreign	Cost of W/C	Insurance	ROE	Debt Repayment	Interest Charges	Total CPP	Capacity* charge@ --- %	R: / kWh	Cents/kWh
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29																	
30																	
Average																	
1-10																	
11-30																	
1-30																	
Levelized																	
1-30																	

* Plant factor depending on the technology and fuel



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SUB LEASE DEED

BETWEEN

THE BECL

(BALOCHISTAN ENERGY COMPANY LIMITED)

ENERGY DEPARTMENT

(Government of Balochistan)

AND

The CIHCL

(CIHC PAK POWER COMPANY LIMITED)

SUB LEASE DEED

This **Sub Lease deed (the Sub Lease)** is made at Quetta, Balochistan on this Thursday, the 30th day of January 2020, (the Effective Date)

BY AND BETWEEN

BECL (Balochistan Energy Company Limited) Energy Department, GOB having its office at Room No 5, Press Building Block 9 Balochistan Civil Secretariat, Zarghoon Road, Quetta Balochistan, Pakistan through its Secretary (hereinafter referred to as the "**Lesser**" which expression shall, wherever the context requires or permits, include its successors in interest and permitted assigns):

AND

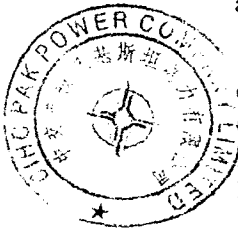
M/S CIHC Pak Power Company Limited (CIHCL) through its Chief Executive Officer, having its Office at House No 6, Street 11, Sector F-7/2, Islamabad, Pakistan (hereinafter referred to as **Lessee** which expression shall, wherever the context requires or permits, include its successors in interest and permitted assigns).

(Each of the **Lessor** and **Lessee** is hereafter referred to individually as a "**Party**" and collectively as the "**Parties**").

RECITALS:

WHEREAS the Lease Order has been signed by the Senior MBR vide No.70/LU-2018 dated 23 January 2020, whereby a piece of land measuring 207 acres (110 acres-3 rods-18 poles PRIVATE & 96 acres-22 poles STATE LAND) in Mouza Darbella Janubi, Tehsil and District Gwadar has been Leased Out for a period of 33xyears lease (3xyears grace period for completion of the project plus 30 x years operational lease) for the construction/installation of a 300MW Coal Fired Plant by CIHC Pak Power Company; the valuation of which as ascertained by the DC/Collector Gwadar.

WHEREAS the Government of Balochistan has acquired the private piece of land as aforementioned to lease the same to the **BECL (Balochistan Energy Company Limited)** a subsidiary of the Energy Department, Government of Balochistan for further sub lease of the same to **M/S CIHC Pak Power Company Limited**.

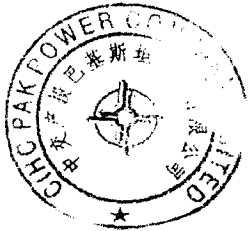


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WHEREAS the Provincial Cabinet in its meeting dated 10.12.2018 has formally approved the lease/sublease of the land in question and the Provincial Cabinet in its meeting held dated 5th December 2019 decided that rent for the **3 years' grace period** would be exempted for the construction phase from the date of the agreement for the construction phase.

NOW THEREFORE, with the approval of the Government of Balochistan the Board of Revenue Balochistan is pleased to Lease the piece of land measuring 207 acres (110 acree-3 rods-18 poles PRIVATE & 96 acres-22 poles STATE LAND) in Mouza Darbella Janubi Tehsil and District Gwadar to the BECL (Balochistan Energy Company Limited), subsidiary of the Energy Department, GoB (Copy attached as Schedule 1, the Master Lease) further sub lease of the same By Secretary Energy (GoB) to M/S CIIC Pak Power Company Limited on the following terms and conditions:

1. This lease shall be for a period of 33years further extendable as mutually agreed upon renewed TORs.
2. This land shall not be utilized for any other purpose except for the construction of the 300 MW Coal Fired Power Plant.
3. In case of termination of Implementation Agreement (IA) by Government of Pakistan, the lease/sublease shall be liable to be cancelled.
4. Once the physical possession on ground is handed over to the lessee; the lessee shall be responsible for its subsequent protection from any encroachment.
5. The lease amount to the tune of PK RS-500 Million has been deposited into the head of account **CO37- Extraordinary Receipts & CO3702-Sale of Land-Town Sites and Colonies** of the upfront in advance before signing of sublease agreement between BECL (Balochistan Energy Company Limited) and M/S CIIC Pak Power Company Limited.
6. An annual rent worth PK RS-20 Million plus One percent escalation (PK RS-5 Million) making the total of PK RS-25 Million per annum shall have to be paid in advance every year into Government Treasury in the Provincial Government Head of Account No. **CO37- Extraordinary Receipts & CO3702-Sale of Land-Town Sites and Colonies**. However, the initial three (3) years of construction period has been termed as grace period which means the M/S CIIC Pak Power Company Limited would be exempted from payment of rent during the 3 years' construction phase from the date of signing of Sub Lease or till the commercial operations date whichever is earlier.
7. The possession of the said land (state plus private land) shall be allowed to the CIIC Pak Power Company Limited immediately, after



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entering into the sub lease agreement with the CIHC Pak Power Company Limited, Balochistan Energy Company Limited.

8. The Secretary Energy, GoB shall, on behalf of the BECL, effect/enter into the sub lease agreement with the CIHC Pak Power Company Limited, in pursuance of formal lease order by Board of Revenue, Balochistan once the lessee deposited the lease amount to the tune of PK RS-500 Million into the head of account **0037- Extraordinary Receipts & CO3702-Sale of Land-Town Sites and Colonies** of the upfront in advance of the lease order in favour Balochistan Energy Company Limited.

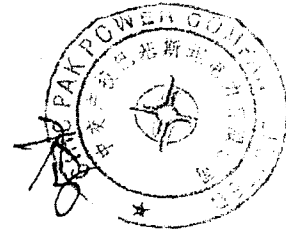
9. The lessee may create encumbrance or assign or create security interest, in favour of lenders in the lessee's rights and interests in the lease subject to the land lease Policy for foreign investors, 2018.

Notwithstanding anything contained under any other instruments, policies or statement of conditions issued by GOB, this Sub Lease shall be governed by the Applicable Documents and federal / provincial laws.

The lessee shall be responsible to pay stamp duties, registration fees and other applicable taxes (if any) arising in connection with the execution of the Sub Lease.

The lessee is entitled to create security interests on the land in favour of its lenders. The lessor shall not be responsible / liable for anything in any way whatsoever for such loans, sureties or security interests before any or at any subsequent stage.

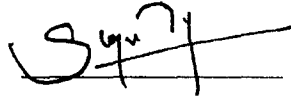
After Signing of the Implementation Agreement (IA) between the Federal Government and CIHC Pak Power Company Limited, Amendments in the Sub Lease may be carried out if necessary subject to the mutual Agreement between GOB and CIHC Pak Power Company Limited in line with the **Federal / Provincial Government Law / Rules**.



Signature

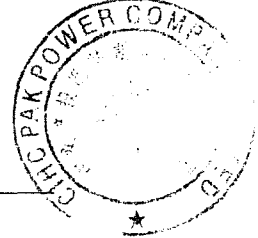
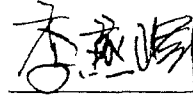
In witness whereof the Parties have hereto set their hands on the day and year first written above.

For and on behalf of
Government of Balochistan
(The Lessor)



Name: SHERYAR TAJ
Designation: The Chief Executive Officer,
BECL Energy Department, GoB.
Address: Room # 05, Press Building Block 09
Balochistan Secretariat, Zarghoon Road,
Quetta, Balochistan Pakistan
CNIC No: 54400-8097074-7

For and on behalf of
M/S CIHC Pak Power Company
(The Lessee)



Name: LI YANFENG
Designation: General Manager,
CIHC Pak Power Company Ltd.
Address: House No. 06, Street
No. 11, Sector F7/2, Islamabad
Pakistan
Passport No: PE1480468

Witnessed By



Name: QASIM ALI NADEEM
Address: Press Building Block 09
Balochistan Secretariat, Zarghoon Road,
Quetta, Balochistan Pakistan
CNIC No: 55101-9483929-9

Witnessed By



Name: IRFAN ULLAH
Address: House No. 06, Street
No. 11, Sector F7/2, Islamabad
Pakistan.
CNIC No: 15503-8411973-1