



CAD/PSX/23-07-002
13 July 2023

Executive Director/HOD
Offsite-II Department
Supervision Division
Securities & Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area
Islamabad

The General Manager
Administrative Block
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: ***Majority owners of offshore holding company of K-Electric seek direct stake in K-Electric***

Dear Sir,

In accordance with Section 96 and Section 131 of the Securities Act, 2015 and Clause 5.6.2 of the Rule Book of Pakistan Stock Exchange Limited, we hereby convey the following:

We have been informed that IGCF SPV 21 Limited, which is the majority shareholder of KES Power Limited, the holding company of K-Electric Limited (KE), has sought to have direct stake in KE. The communication received by KE in this regard is attached.

This is for the information of investors and market participants.

A disclosure form as required pursuant to SRO 143(I)/2012 dated December 05, 2012 read with Section 96 and 131 of the Securities Act, 2015 is enclosed as Annexure A.

You are requested to disseminate the information to the Member of the Exchange accordingly.

Yours truly,

Rizwan Pesnani
Chief Risk Officer & Company Secretary

Encl.: As above



DISCLOSURE FORM
IN TERMS OF SECTION 96 AND 131 OF THE SECURITIES ACT, 2015

Name of Company: K-Electric Limited (KE)

Date of Report: 13 July 2023

Name of Company as specified in its Memorandum: K-Electric Limited

Company's registered office: KE House, 39/B, Sunset Boulevard
Phase II, Defence Housing Authority, Karachi

Contact information: Rizwan Pesnani, Chief Risk Officer & Company Secretary

Disclosure of inside information by listed company:

We have been informed that IGCF SPV 21 Limited, which is the majority shareholder of KES Power Limited, the holding company of K-Electric Limited (KE), has sought to have direct stake in KE. The communication received by KE in this regard is attached.

This is for the information of investors and market participants.

For and on behalf of
K-Electric Limited



Rizwan Pesnani
Chief Risk Officer & Company Secretary

July 12, 2023

FOR IMMEDIATE RELEASE:

ANNOUNCEMENT FROM THE INFRASTRUCTURE AND GROWTH CAPITAL FUND

GRAND CAYMAN, Cayman Islands - On July 7, 2023, IGCF SPV 21 Limited ("SPV21") filed a petition in the Grand Court of the Cayman Islands for a Just & Equitable Winding Up of KES Power Limited ("KESP"). KESP is a Cayman domiciled non-trading entity and acts as a holding company for 66.4% of K-Electric Limited ("KE") which is its sole asset.

SPV21 is the largest shareholder in KESP, owning 53.8% of KESP. SPV21 is ultimately owned by the Infrastructure and Growth Capital Fund L.P. ("IGCF") which was previously managed by the now-defunct Abraaj Group. IGCF is currently managed by its General Partner on behalf of its limited partners.

Since October 2022, the general partner of IGCF has been owned by Sage Venture Group Limited ("SVGL"), a special purpose company of AsiaPak Investments Limited ("AsiaPak"). The ultimate beneficial owner of both SVGL and AsiaPak is Mr. Shaheryar Chishty, a Pakistani citizen.

SPV21 invested in KESP as part of a 2009 rescue effort to turnaround KE, after the 2005 privatization had failed to produce positive results. It is through an investment of fresh capital into KE that SPV21 came to be the largest shareholder in KESP.

At IGCF we are proud of the fact that the only FDI that KE has ever received from KESP came from funds provided by IGCF investors, whereas the original KE privatization in 2005 resulted in sale proceeds only going to the Government of Pakistan, and not as capital investment into KE.

Investment funds provided by IGCF investors enabled a substantial positive turnaround of KE's affairs. Since the Abraaj bankruptcy in 2019, we are pained to note that KE has taken a turn for the worse, with KE's affairs not producing positive results for Karachi's consumers, KE's shareholders, business partners, or lenders.

Since October 2022, the minority shareholders of KESP (who collectively own 46.2% of KESP as compared to SPV21's 53.8% shareholding) have denied us our KESP rights and have sought to frustrate us at KESP:

- Denying us from exercising our rights as KESP shareholders by preventing us from appointing our nominees to the KE Board of Directors;

- Stymying the smooth functioning of KESP, whose sole function is to act as the holding company for KE;
- Blatantly violating the KESP shareholders' agreement;
- Disparaging IGCF, SVGL and Mr. Shaheryar Chishty in multiple forums; and
- Consistently and wilfully misrepresenting our plans to improve KE.

For the sake of producing positive results for KE and for KE's consumers, we have made repeated attempts to have a smooth working relationship in KESP and with KESP's minority shareholders. We are disheartened to report that this has not been reciprocated by KESP's minority shareholders.

Accordingly, IGCF has taken a view that KESP no longer serves its sole function and the shareholder disputes are a major distraction to the key task of assisting in the turnaround of KE and for these reasons IGCF has petitioned the Cayman Court to wind up KESP.

The final decision of the Just & Equitable Winding Up of KESP rests with the courts of the Cayman Islands. However, there will be no impact on the day-to-day operations and management of KE. The management of KE and the KE Board continue to operate independently of KESP.

By this action SPV21 simply seeks to own its shares in KE directly instead of through a holding company in the form of KESP which has unfortunately outlived its original purpose due to the continued negative actions of KESP's minority shareholders.

On this occasion Mr. Shaheryar Chishty said "Our singular focus is to deliver plentiful, affordable, and reliable electricity to Karachi's consumers. We are confident this goal will be better accomplished by removing the distraction of a shareholder dispute and all KESP shareholders taking a direct shareholding in KE instead of through KESP. If KESP's minority shareholders do not share our bold vision for Karachi, then they are welcome to dispose of their KE shares as they see fit without obstructing our efforts to improve the lives of Karachi's citizens".

MEDIA CONTACTS

IGCF General Partner Limited
gp@igc-fund.com