



## NOTICE

NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING (EGM) OF SHAREHOLDERS AND MEMBERS OF  
UNITED POWER GENERATION AND DISTRIBUTION COMPANY LIMITED  
("UPGDCL" OR "THE COMPANY")

Notice is hereby given that an EXTRA ORDINARY GENERAL MEETING (EGM) of the Shareholders of United Power Generation and Distribution Company Ltd. (UPGDCL), will be held on **Wednesday, 28<sup>th</sup> October, 2020** at **11.00 a.m. (Dhaka Time)** through the following link <http://upgdcl.egm.bdvirtual.com> for the purpose of considering and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:

AGENDA FOR SPECIAL RESOLUTION:

To consider and if thought fit, to pass, with or without modification, following resolutions as SPECIAL RESOLUTION

- I. "RESOLVED THAT the acquisition of **99 (Ninety Nine)** percent Shares of United Anwara Power Limited (UAnPL), a 300 MW HFO fired power plant located at Anwara, Chattogram, **effective 1<sup>st</sup> July, 2020** at Net Asset Value (NAV) based on the Audited Financial Statements as on 30<sup>th</sup> June 2020 of (UAnPL) be and is hereby approved."
- II. "FURTHER RESOLVED THAT the acquisition of **99 (Ninety Nine)** percent Shares of United Jamalpur Power Ltd. (UJPL), a 115 MW HFO fired power plant located at Jamalpur, **effective 1<sup>st</sup> July, 2020** at Net Asset Value (NAV) based on the Audited Financial Statements as on 30<sup>th</sup> June 2020 of (UJPL) be and is hereby approved."

The shareholders and members of UPGDCL are hereby requested to attend the meeting on the date and time through the given link.

Dhaka, 7<sup>th</sup> October 2020.

By order of the Board

Sd/-

**Badrul H. Khan, FCA**  
*Company Secretary*



**NOTES:**

1. **"Record Date"** is **06<sup>th</sup> October 2020**. Members whose names appeared in the Members'/Depository Register on Record Date will be eligible to attend/participate and vote in the General Meeting.
2. **The meeting shall be held through digital platform** pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMJC/94-231125 dated 08 July 2020,
3. Link for joining in EGM through Digital Platform and detail login process will be notified to the respective through Member e-mail.
4. The Member will be able to submit their questions/comments and vote electronically 24 hours before commencement of the EGM and during the EGM. For logging in to the system, the Member need to put their 16-digit Beneficial Owner ( BO) ID number and other credential as proof of their identity by visiting the link <http://upgdclgm.bdvirtual.com>
5. Member whose email addresses have not been updated/changed in the meantime, are requested to email us at [info@unitedpowerbd.com](mailto:info@unitedpowerbd.com) or [atiq@united.com.bd](mailto:atiq@united.com.bd) mentioning their full name, Folio/BO ID, email address and mobile number to get the digital platform meeting invitation.
6. A Member entitled to attend and vote at the EGM may appoint a Proxy to attend and vote in his/her stead. The scanned copy of "Proxy Form, duly signed and affixed with BDT 20 revenue stamp must be sent through email at [info@unitedpowerbd.com](mailto:info@unitedpowerbd.com) or [atiq@united.com.bd](mailto:atiq@united.com.bd) no later than 72 hours before commencement of the EGM.
7. Additional information on the Agenda for the Special Resolution referred above is being circulated together with this notice as Annexure A and the same constitutes an integral part of the notice. The members may download the soft copy of this notice of the EGM together with the Annexure A from the Company's website: <http://www.unitedpowerbd.com/egm-scheme/>

## Information Memorandum

### Introduction

The Board of Directors of United Power Generation and Distribution Company Ltd. (UPGDCL or the Company) has unanimously decided at its 94<sup>th</sup> meeting held on 15 September 2020 for the acquisition of 99% shares of United Anwara Power Limited (UAnPL) and United Jamalpur Power Limited (UJPL) by UPGDCL, and place the following special resolution to the honorable shareholders of UPGDCL for approval at the Extraordinary General Meeting scheduled on Wednesday, 28 October 2020.

### Information on acquisition of United Anwara Power Limited (UAnPL) and United Jamalpur Power Ltd. (UJPL) by United Power Generation and Distribution Company Ltd. (UPGDCL)

SELLER COMPANIES are –

- I. United Jamalpur Power Ltd (UJPL) located at Jamalpur Sadar, Jamalpur. The Plant is HFO based and having 115 MW electricity generation capacity. It went into commercial operation (COD) on 21st February, 2019. Under the applicable Power Purchase Agreement (PPA) it has 15 years of contractual life.
- II. United Anwara Power Ltd (UAnPL) located at Rangadia, Karnofuli, Anwara, Chattogram. The Plant is HFO based and having 300 MW electricity generation capacity. It went into commercial operation (COD) on 22nd June, 2019. Under the applicable Power Purchase Agreement (PPA) it has 15 years of contractual life.

### Snapshot of the Seller Companies:

Company Name	United Anwara Power Ltd. (UAnPL)	United Jamalpur Power Limited (UJPL)
Commissioning Date	22 June 2019	21 February 2019
Contract Life	15 Years (Up to June 2034)	15 Years (Up to February 2034)
Revenue/Tariff	Dollar Denominated Taka	Dollar Denominated Taka
Corporate Tax Status	Exempted	Exempted
Fuel	HFO	HFO
Total Installed Capacity	300 MW	115 MW
Generators	17 nos W 18V46 Engines 3 nos Turbine	12 nos Wärtsilä 20V32 Engines 1 nos Turbine
Clientele	Bangladesh Power Development Board	Bangladesh Power Development Board

### Purpose of the acquisition

The purpose of these acquisition is to increase existing electricity generation capacity of UPGDCL and its controlled entities (herein after referred to as the “Group”) and ensure higher returns to its shareholders. Upon acquisition of UAnPL and UJPL by UPGDCL, the Group’s combined electricity generation capacity would increase by **486 MW to 901 MW**. It will also immediately provide UPGDCL with additional financial resources which can be passed on to the shareholders in the form of higher dividend.

Company Name	Installed Capacity (MW)
United Power Generation & Distribution Company Ltd.	160
United Energy Ltd.	81
Leviathan Global BD Ltd.	50
United Ashuganj Energy Ltd.	195
United Anwara Power LTD.	300
United Jamalpur Power LTD.	115
<b>Grand Total</b>	<b>901</b>

### Financial highlights of UAnPL and UJPL

As at/ for the year ended 30 June 2020	UAnPL	UJPL
Revenue for the year ended 30 June 2020 (BDT million)	9,908	5,389
Net profit after tax for the year ended 30 June 2020 (BDT million)	3,253	1,384
Paid-up Capital as at 30 June 2020 (BDT million)	100	100
No of Share outstanding as at 30 June 2020 (In million)	10	10
Retained Earnings as at 30 June 2020 (BDT million)	3,276	1,881
Total Assets as at 30 June 2020 (BDT million)	20,388	11,402
NAV as at 30 June 2020 (BDT million)	3,376	1,981
NAV per share as at 30 June 2020 (in Taka)	338	198.08
Earnings Per Share for the year ended 30 June 2020 (in Taka)	325.25	138.45
Total debt	11,806	1,830
GP ratio	38%	29%
NP ratio	33%	26%



### **UPGDCL's growth strategy**

The Company has been performing at a stable pace over the last few years powered by the organic growth which is fully dependent upon the agreed (PPA) tariff structure. This has resulted in almost predictable revenue streams and earnings. In this context, Company re-looked at its growth model with particular emphasis on maximizing its contractual life span which is now 30 years and extendable for further 30 years. UPGDCL embarked on a growth model which embraces among others –

- Sustainable growth
- Higher revenue, profit and asset creation
- Market capitalization and brand reach
- Overall value enhancements

### **Strategy manifestation**

In the Year 2019, UPGDCL started its journey towards executing the targeted growth model through parallel integration (through majority share acquisitions) of two power companies under its wings. These two power business houses namely, United Energy Ltd (UEL): 81 MW 28 MW Gas fired and 53 MW gas fired power plant and Leviathan Global BD Ltd (LGBDL): 50 MW Gas fired power plant added directly to the existing power generation capacity of the Company. At the same time, through UEL's shareholdings of 92.41% in the United Ashuganj Energy Ltd (UAEL), a 195 MW Gas fired plant operated under PPP with Ashuganj Power Supply Company Ltd (APSCL), the Company could also embrace further generation capacity. Total generation capacity reached 486 MW from 160 MW. In the process, UPGDCL was positioned as the "holding company" for all the power plants of the United Group.

### **Rational for acquisition**

- The proposed acquisition of two Power Companies would add 415 MW power generating facility to UPGD to a combined capacity of 901 MW (85% higher than its current capacity)
- Diversifying the Portfolio of UPGD that would consists of both GAS & HFO based power plants
- UAnPL & UJPL both has brand new engines with state-of-the-art power generation facility
- Both the Plants are located at critical juncture of National Grid
- Furthermore, substantial part of the future cash flow from these two companies are secured, with 14 years of tax exempted life remaining
- The combined construction cost of UAnPL & UJPL is USD 301M i.e. USD 0.725M per MW which is below the market standard of USD 0.8M to 0.90M cost of per Megawatt capacity.
- The purchase consideration will be at Book Value/Net Asset Value (NAV) which will represent a substantial discount compared to the Fair Value (which is widely used for acquisition) of these two companies

### Purchase consideration

After careful consideration by the Board, it has been agreed that the acquisition be made at Net Asset Value (NAV) based on the audited financial statement as on June 30, 2020 as per the following:

Companies	NAV (in BDT Million)
UAnPL	3,376
UJPL	1,981
<b>Total</b>	<b>5,357</b>

The respective Boards of both UAnPL and UJPL have also approved the sale of 99% shares of these companies to UPGDCL at the purchase consideration referred above.

### Justification of the purchase consideration

The Board has considered multiple valuation models including fair value based approach (i.e. earnings multiple and present value of future discounted cash flow) and determined that the agreed purchase consideration based on net asset value of the acquired entities are most beneficial to the shareholders of UPGDCL. Fair value of both UAnPL and UJPL are significantly higher than the net assets value used for the purchase consideration and hence the shareholders of UPGDCL would receive substantial economic benefit from UAnPL and UJPL without paying any premium.

### SPECIAL RESOLUTION

- I. "RESOLVED THAT the acquisition of **99 (Ninety Nine)** percent Shares of United Anwara Power Limited (UAnPL), a 300 MW HFO fired power plant located at Anwara, Chattogram, **effective 1st July, 2020** at Net Asset Value (NAV) based on the Audited Financial Statements as on 30th June 2020 of (UAnPL) be and is hereby approved."
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General Md. Abdul Mubeen. SBP (Retd.)  
Chairman, UPGDCL



**UNITED POWER GENERATION & DISTRIBUTION COMPANY LTD.**

Gulshan Centre Point, House 23-26, Road 90, Gulshan 2, Dhaka 1212, Bangladesh

**PROXY FORM**

I/We ... of ... United Power Generation & Distribution Company Ltd. hereby appoint Mr./Ms./Mrs. ... of ... as my proxy to attend and vote on my behalf at the **EXTRA-ORDINARY GENERAL MEETING (EGM)** of the company to be held on **Wednesday, 28<sup>th</sup> October, 2020 at 11.00 a.m. (Dhaka Time)** through the following link ***http://upgdclgm.bdvirtual.com*** and at any adjournment thereof.

As witness my hand this ... day of ... 2020 signed by the said in presence of ...

\_\_\_\_\_  
(Signature of the Proxy)  
**Date**-----



\_\_\_\_\_  
(Signature of witness)

\_\_\_\_\_  
Signature of the Shareholder(s)  
Register BO ID:

Dated: \_\_\_\_\_

Notes:

1. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to ***info@unitedpowerbd.com*** or ***atiq@united.com.bd*** no later than 72 hours before commencement of the EGM.
2. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.  
Signature verified

Signature Verified by

.....  
Authorized Signatory of the Company