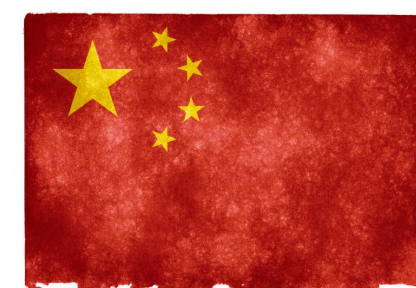




ESARE INTERNATIONAL



Opportunities in Pakistan





Discussion Materials

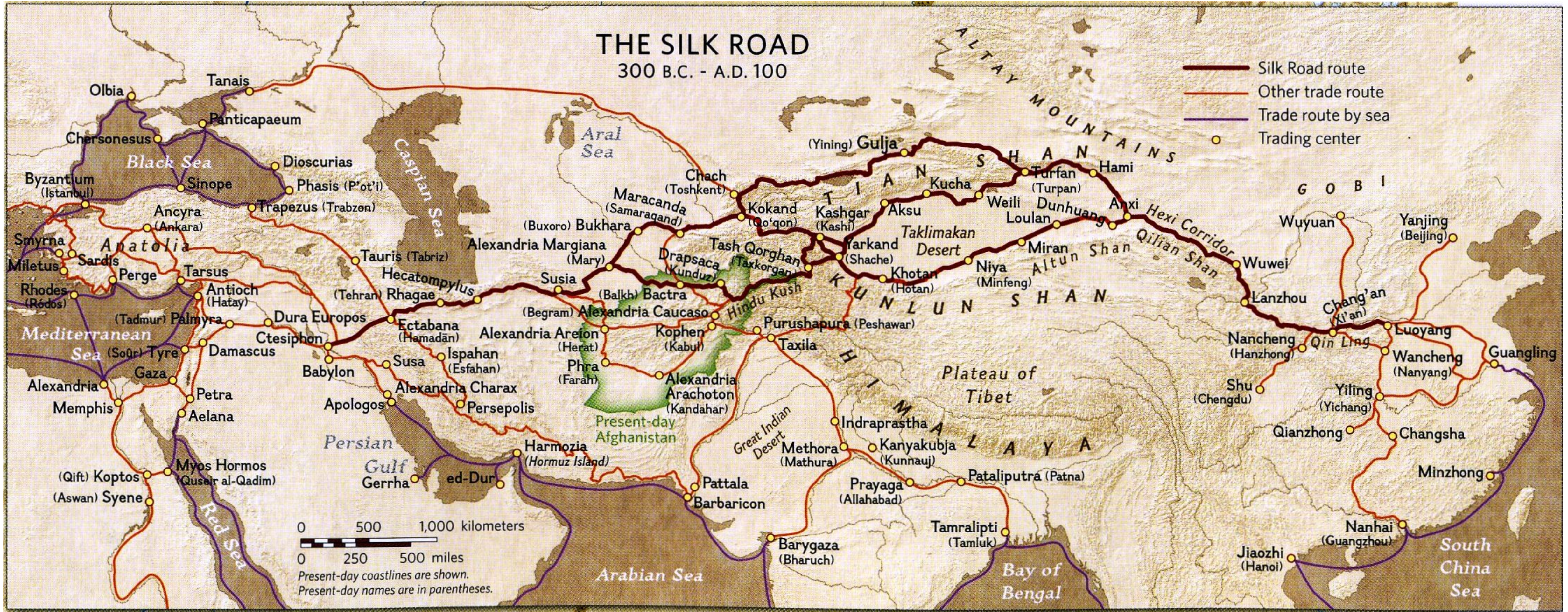
2017-2018



THE SILK ROAD

300 B.C. - A.D. 100

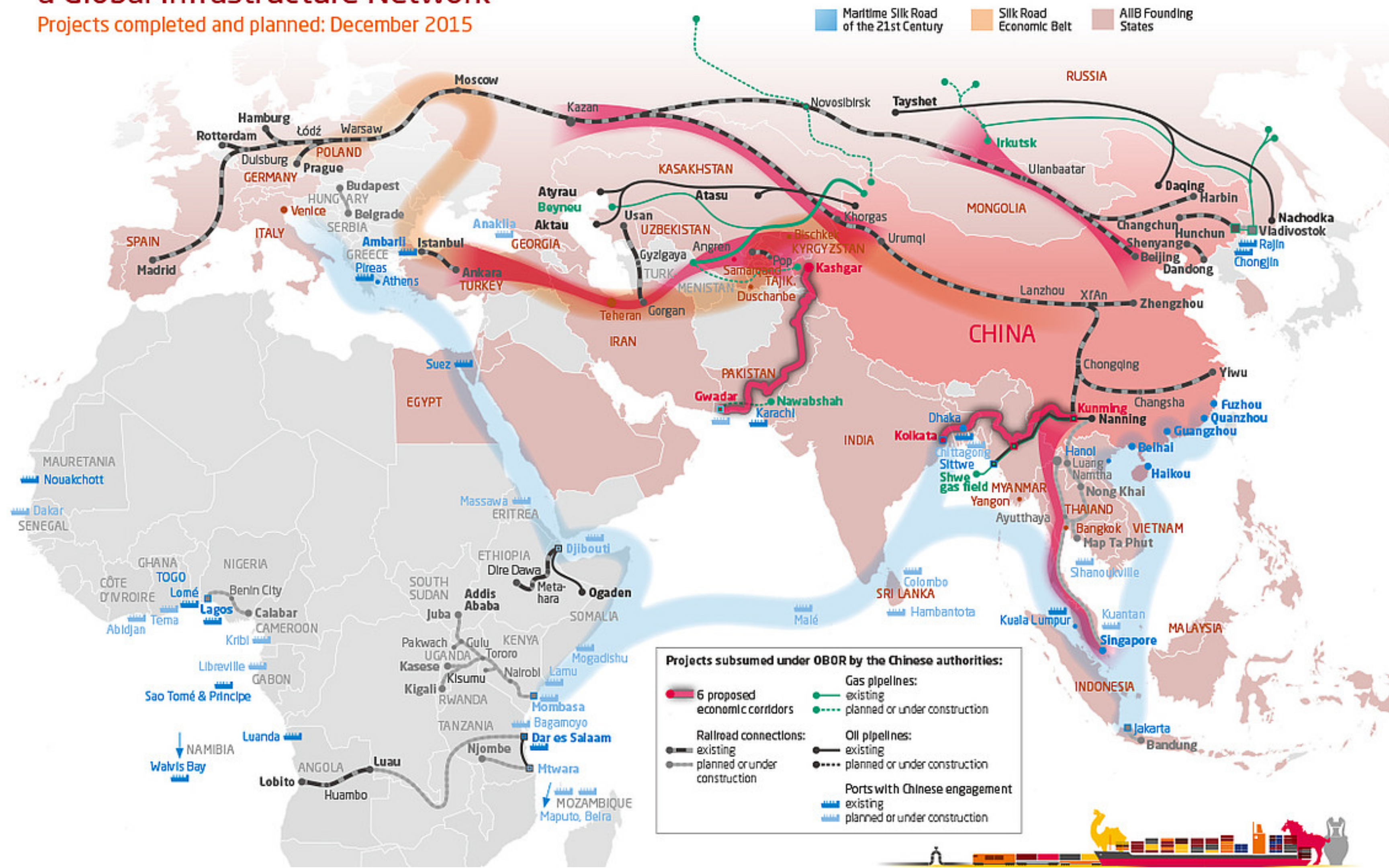
-  Silk Road route
-  Other trade route
-  Trade route by sea
-  Trading center



MERICS China Mapping

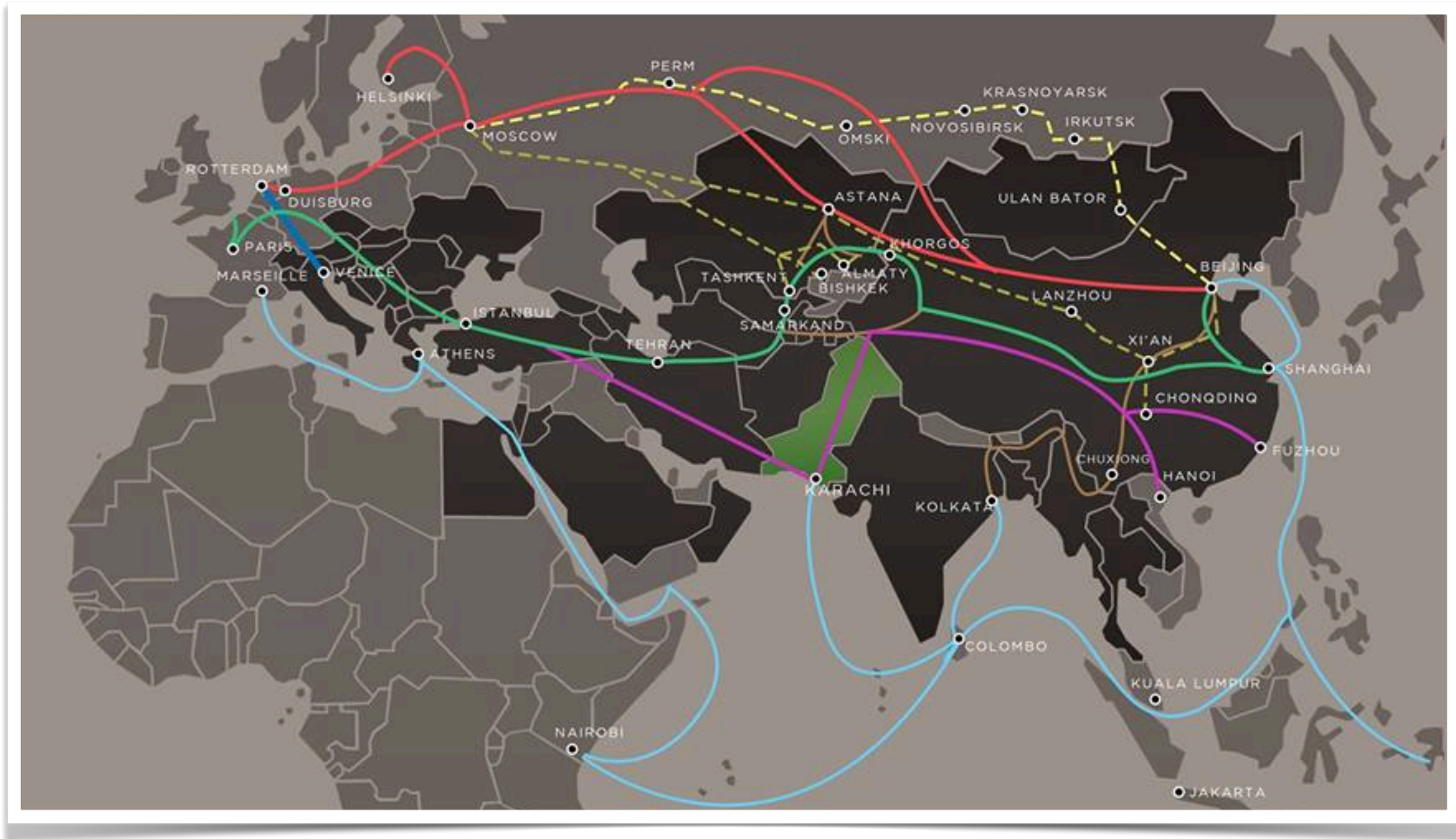
One Belt, One Road: With the Silk Road Initiative, China Aims to Build a Global Infrastructure Network

Projects completed and planned: December 2015





ONE BELT ONE ROAD (OBOR)



PAKISTAN- THE CENTER OF OBOR

PAKISTAN- GROWTH STORY

- **Today Pakistan is one of the most attractive global investment opportunity**
 - Positive, investor friendly political environment
 - Strong, sustained economic growth trajectory. CGDP growth > 5%
 - Population of 200M+ customers
 - Improving security situation



PAKISTAN- GROWTH STORY

- **Continuing mismatch between availability of domestic capital and local funding requirements.**
 - Inefficient capital markets and conservative banking regime.
- **Significant domestic opportunities searching for financing**
 - Opportunity for foreign investors to fill the resource allocation gap for commercially attractive projects.
 - Infrastructure , Energy, IT, Telecoms, Finance, Consumer, Logistics, Transport, Real Estate, Hospitality, Industrial, Etc.



PAKISTAN- GROWTH STORY

- China- Pakistan Economic Corridor (CPEC) provides strong political and economic support to Pakistan's growth fundamentals.
- The \$46 Billion investment in Phase 1, will lead to additional areas of partnership between Chinese and Pakistani businesses.
- Significant Pakistani political and military support for the Chinese investors.



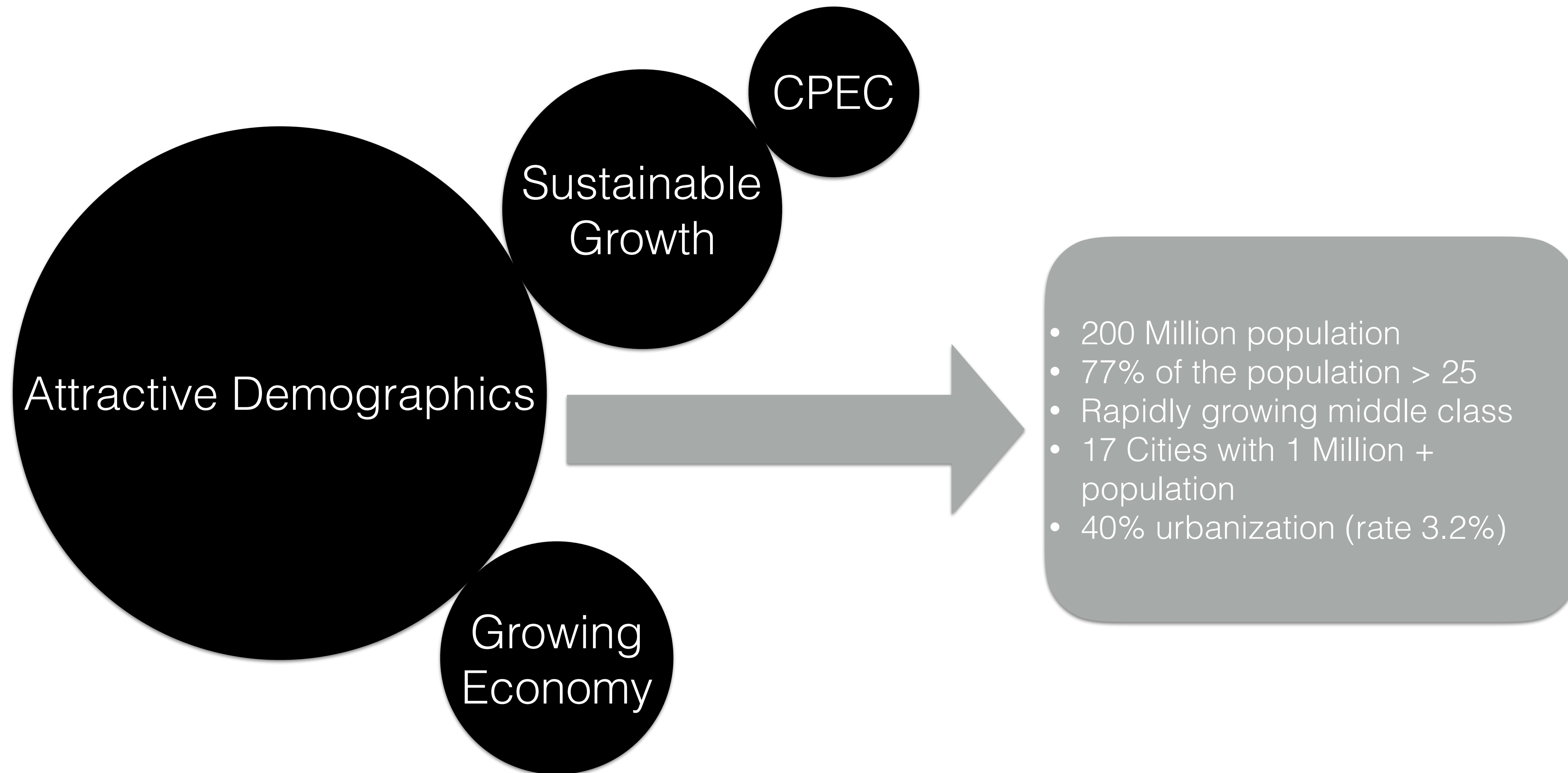
ESARE INTERNATIONAL

- Strong domestic network of relationships with key decision makers.
- Insight on government policy and priorities
- Ability to navigate local approvals and processes
- Team of highly qualified and reputed talent.

ESARE is well positioned to work with Chinese investors interested in entering the Pakistan market.



KEY DRIVERS OF OPPORTUNITY



GROWING ECONOMY

- GDP \$ 300 Billion in 2016; GDP \$1 Trillion PPP basis
- 40th Largest economy in the world; 26th PPP basis
- Informal economy 30-50% of official GDP
- Official GDP growth of 5.2% in 2017
- Low oil prices create an addition upside.



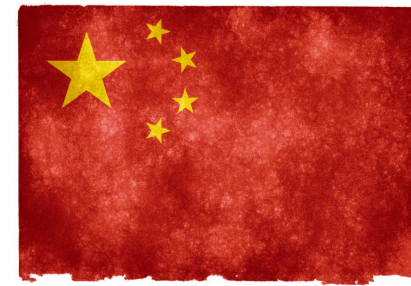
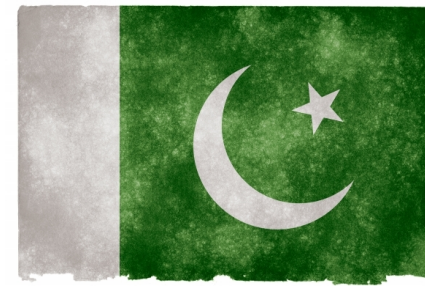
SUSTAINABLE GROWTH

- Civilian rule; smooth peaceful transfer of power.
- Business friendly government policies.
- Security challenges being decisively addressed.
- Power crisis being resolved.
- Military supporting government initiatives.



Sustainable
Growth





CHINA PAKISTAN ECONOMIC CORRIDOR
CPEC

CORRIDOR OF OPPORTUNITY

Prime Minister Nawaz Sharif's vision for a game-changing economic corridor to prop up a flagging Pakistani economy, dominate Afghanistan and contain India

RELATED/SPIN-OFF PROJECTS TO THE CORRIDOR

Karachi to Lahore motorway

The 1,240-km project will be completed by 2015.

Metro bus, underground metros

For Lahore, Gujranwala, Multan, Faisalabad, Rawalpindi. Metro in Karachi.

Economic City in Gwadar

To be coupled with the Chinese port to become a free trade zone like Hong Kong or Singapore.

Karakoram highway

China currently upgrading this highway built in 1979.

RAILWAY LINE TO BE EXTENDED TO LINK XINJIANG WITH GWADAR

\$18 BILLION

KASHGAR-GWADAR ECONOMIC CORRIDOR
FEASIBILITY PROJECT TO BE COMPLETED BY NEXT YEAR. ROAD, LATER RAILWAY AND OIL PIPELINE, TO LINK XINJIANG WITH GWADAR.



CHINA PAKISTAN ECONOMIC CORRIDOR CPEC

- CPEC will create sustainable economic growth
- \$46 Billion being invested in diversified sectors of the Pakistani Economy in Phase 1; will go up to \$150 Billion over the years.
- Civilian government and military working together to make CPEC a success.
- Government policy welcomes Chinese investment
- Long standing Pakistan China friendship.



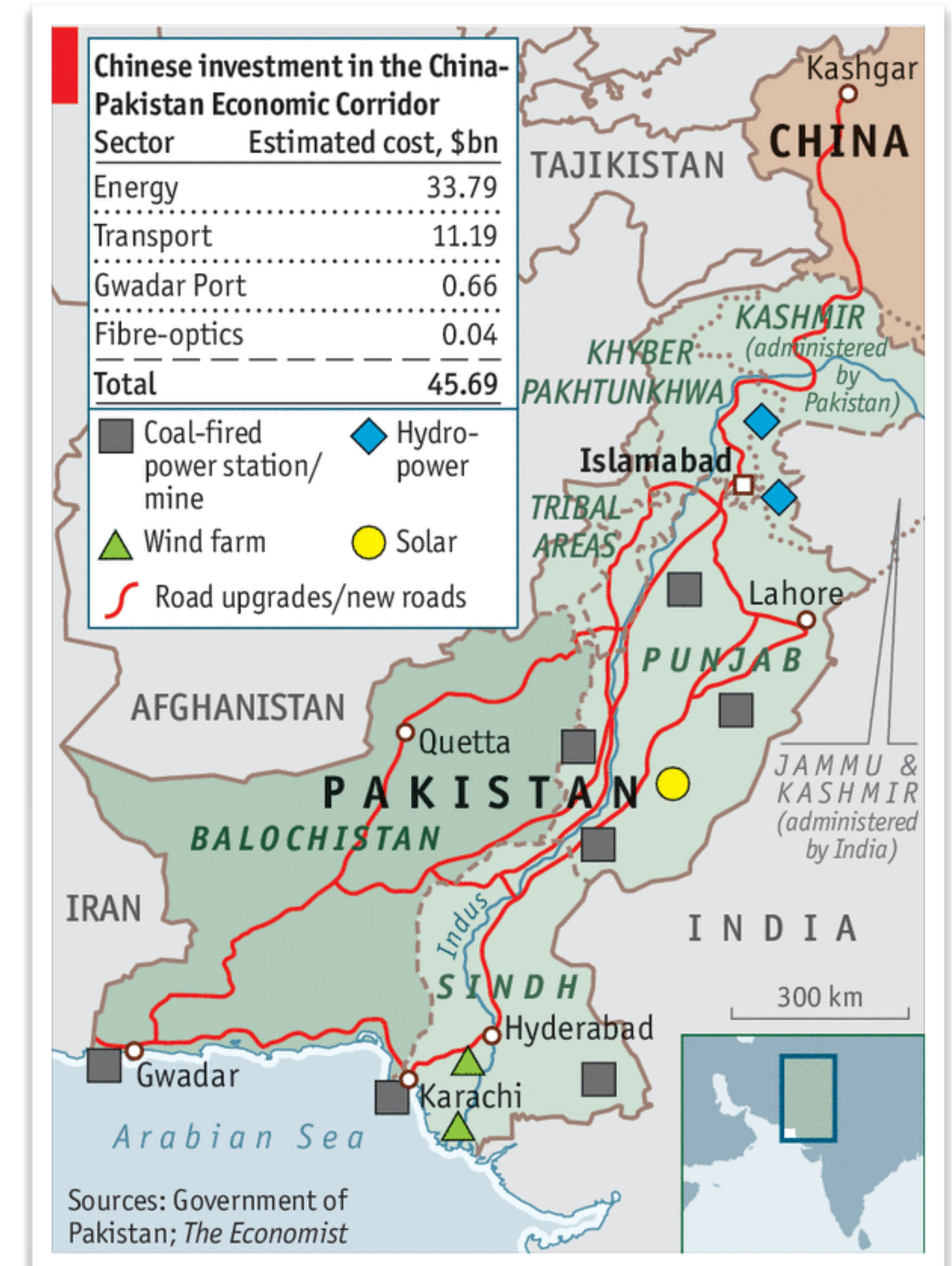
PAKISTAN- A HEDGE AGAINST GLOBAL VOLATILITY

- Pakistan is largely a self reliant economy
- Decades of economic isolation has mitigated exposure to external turmoil
- Limited correlation to global economic cycles positions Pakistan as a potential hedge investment.



CPEC TRANSFORMING PAKISTAN

- **A \$150 Billion project linking China to the Arabian Sea.**
- **A key component of the One Belt One Road (OBOR) initiative**
- **Develop and invest in attractive Pakistani opportunities:**
 - Transport and Logistics
 - Energy and Environment
 - IT and Telecoms
 - Finance and Capital Markets
 - Industrial and Consumer
 - Real Estate
 - Automobiles
 - Hospitality



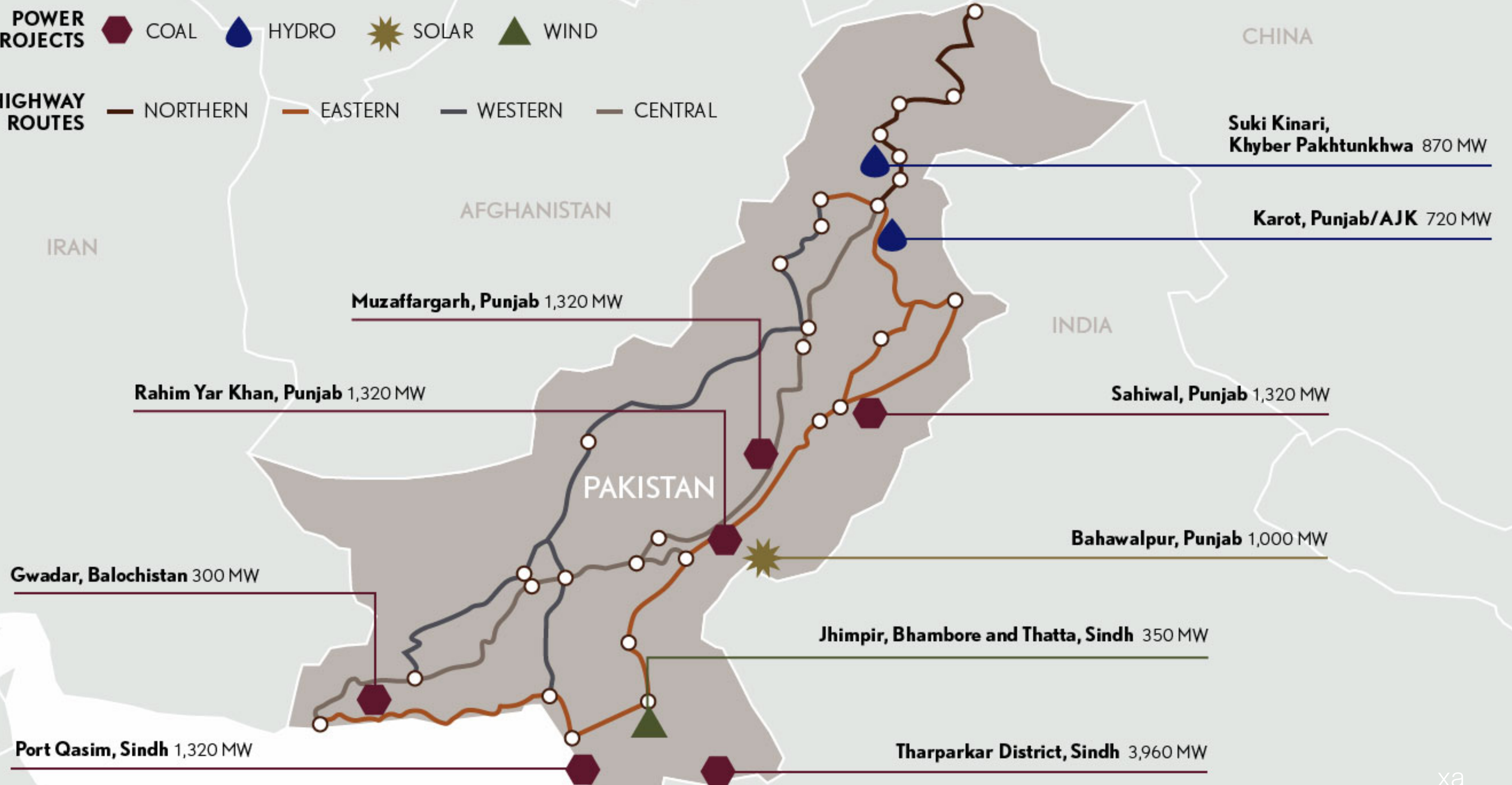
CPEC TRANSFORMING PAKISTAN

- **Primary focus of investment along the CPEC corridor:**
 - Gwadar port and area surrounding development is a key focus
- **Pakistan military and civilian government is very supportive of cooperating with Chinese partners and investors.**
 - Significant economic benefit to Pakistan
 - Attractive returns for Investors given market opportunity.



Major Projects of the China-Pakistan Economic Corridor*

- POWER PROJECTS**
- COAL
 - HYDRO
 - SOLAR
 - WIND
- HIGHWAY ROUTES**
- NORTHERN
 - EASTERN
 - WESTERN
 - CENTRAL







ESARE INTERNATIONAL

SERVICES- OVERVIEW

ESARE YOUR PARTNER IN PAKISTAN

- **ESARE advises public and private institutions seeking to invest in Pakistan's growing economy.**
 - Diverse sectors including Energy, Logistics, Transport, Real Estate, Automotive, Industrial, Consumer, Environment etc.
- **We leverage our domestic insights and senior relationships:**
 - Provide the right access to get to desired results from decision makers
 - Introduce appropriate partners.



ESARE YOUR PARTNER IN PAKISTAN

- **Our understanding of Pakistan's policy and regulatory environment benefits our clients.**
 - We can navigate through the local system to obtain required approvals and permits.
- **Local, cultural understanding helps get deals done.**
 - We have strong personal connections and credibility and can act as your advocates to obtain favorable terms
 - Negotiation strategy and support.



ESARE YOUR PARTNER IN PAKISTAN

- **A commitment to excellence and transaction life cycle support**
 - We will provide an array of services to support our clients through the entire life of the project.
 - We work as your partner in Pakistan to deliver results.



ESARE UNLEASHING PAKISTAN'S POTENTIAL

Experience across industry and sectors relevant to CPEC

Real Estate

Environment

Logistics and Transport

Industrial

ESARE Provides End to End services for our clients

Security

Energy and Power

Automobile

Heavy Machinery



NOW IS THE TIME TO
INVEST IN PAKISTAN...



BLOOMBERG
ASIAN ECONOMY

Pakistan's Economy Is a Pleasant Surprise

138
FEB 6, 2017 5:00 PM EST

By
Tyler Cowen

Pakistan's improvement matters because, with approximately 200 million people, it is the sixth most populous country in the world. It is also a nuclear power, and arguably a key to peace in the region. I don't know many people who were predicting Pakistan's progress in 2001, and so is one of the world's most pleasant surprises.

THE NEW YORK TIMES

The Opinion Pages | CONTRIBUTING OP-ED WRITER

Pakistan, the Next Software Hub?

Bina Shah AUG. 10, 2015

THE WALL STREET JOURNAL
WORLD

Pakistan Turns to China in Energy Binge

Prime Minister Sharif tries to revive economy—and his re-election bid—with \$21 billion electricity plan

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By SAEED SHAH

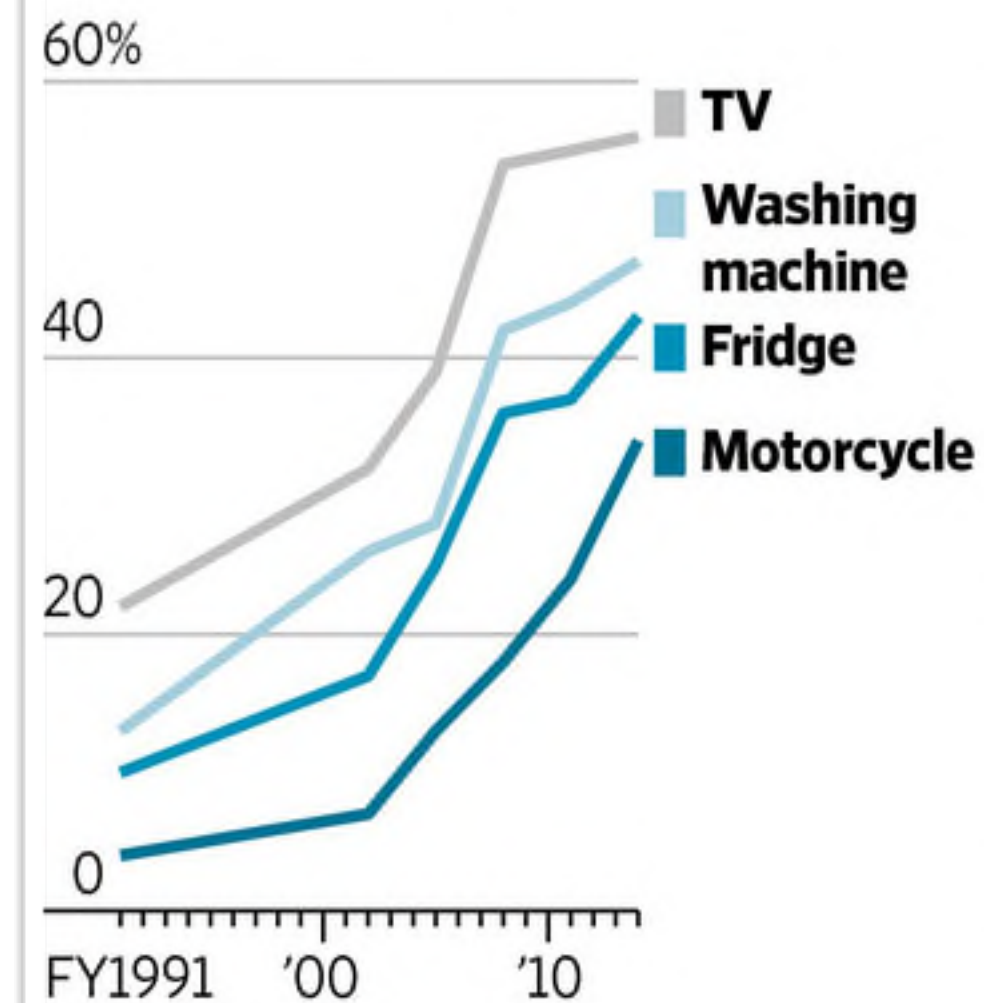
Dec. 18, 2016 7:00 a.m. ET

NOW IS THE TIME TO INVEST IN PAKISTAN...

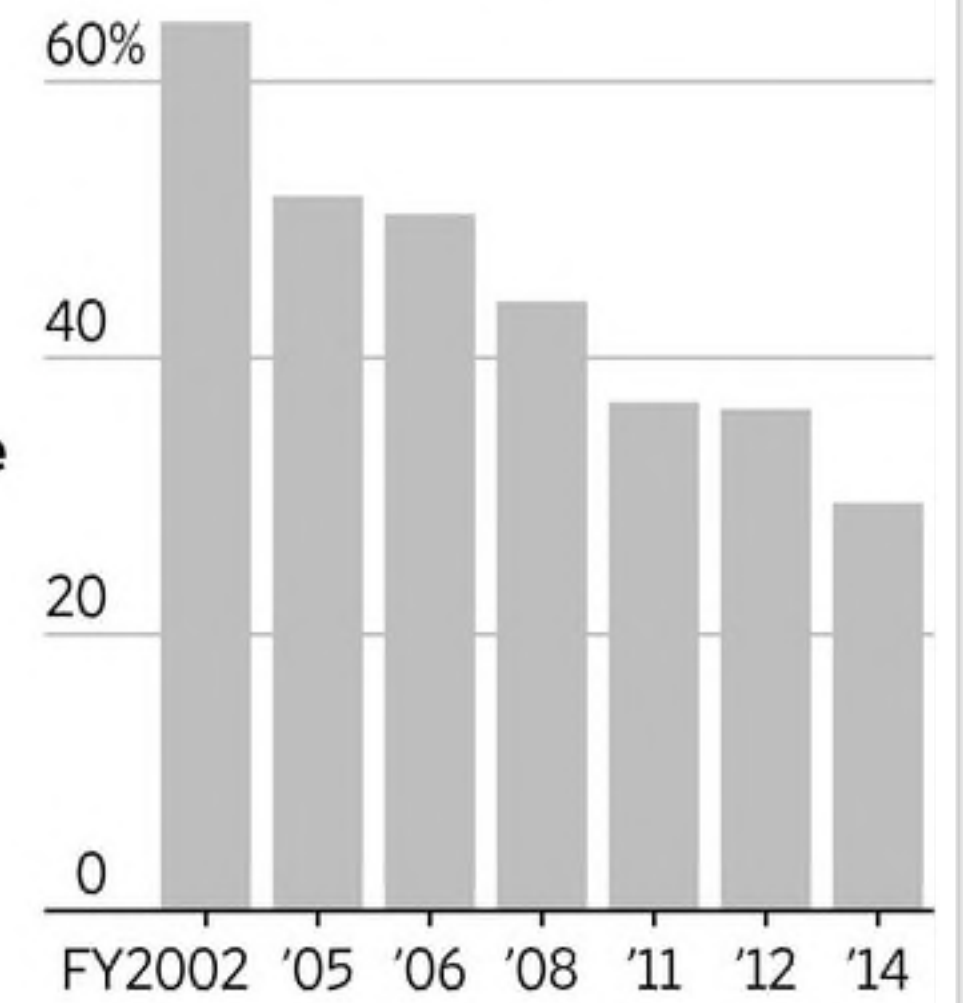
Moving On Up

Pakistan's middle class has grown substantially in recent years.

Percentage of households that own key durable goods



Percentage of population under the poverty line*



Note: Fiscal year ends in June 30

*Poverty line is based on cost of basic needs

Sources: Jawaid Ghani, Pakistan Bureau of Statistics (durable goods);
Government of Pakistan (poverty)

THE WALL STREET JOURNAL.



ESARE INTERNATIONAL

SCOPE OF SERVICES

APPENDIX 1



SCOPE OF SERVICES:

1. Introduction to Pakistan

1.1. We will leverage our experience and network to provide you with an understanding of Pakistan, including:

- 1.1.1. The economic environment and key drivers
- 1.1.2. The political and regulatory landscape
- 1.1.3. An understanding of local best business practices

2. Project specific services:

2.1. Assist in developing feasibility study for a proposed project

- 2.1.1. Conduct local market due diligence and research on the sector and its dynamics to supplement your own research and analysis
- 2.1.2. Assist in identifying key risks and opportunities
- 2.1.3. Work with you on developing feasibility study

2.2. Monitor government policy on an ongoing basis to detect potential changes that may impact project

2.3. Support your personnel while they are in Pakistan

- 2.3.1. Provide local temporary office space to your personnel while they are working in Pakistan (if needed)
- 2.3.2. Assist your personnel in arranging local accommodations, transport and other support services that are reputable, reliable and safe (if requested)
- 2.3.3. Provide local staff to accompany your personnel while they are in Pakistan to act as translators and facilitators to ensure your personnel's safety and well being

2.4. Identify and retain the services of qualified professional services providers required for feasibility analysis and project execution

- 2.4.1. Understand your requirements and preferences and advise on suitable partners and vendors who would be best positioned to work on your project based on our prior experience with them and knowledge of their market reputation
 - 2.4.1.1. Develop a selection criteria for desired service provider
 - 2.4.1.1.1. Provide you with short list of suitable choices for various required services, as applicable (for example: legal, accounting, engineering, etc.)
 - 2.4.1.1.2. Work with you, or on your behalf, to conduct a thorough selection process to identify and retain the most qualified candidate(s)
 - 2.4.1.1.2.1. Obtain proposals, evaluate credentials and capabilities and negotiate commercial terms
 - 2.4.2. Manage the vendors on an ongoing basis locally on your behalf or support your locally stationed personnel in managing these vendors, as applicable
 - 2.4.2.1. Ensure work product and output is as per agreed quality and delivered according to schedule
 - 2.4.2.2. Identify potential issues and challenges that may occur and develop solutions in a timely manner to ensure work flow remains efficient

3. Identify key stakeholders in government, military and private sector

3.1. Utilize our local knowledge and relationships to access the most relevant decision makers

- 3.1.1. Facilitate meetings with these key decision makers
- 3.1.2. Participate in negotiating terms and conditions with relevant parties as part of the commercial arrangements for the project
- 3.1.3. Provide relationship support and ongoing maintenance of relationships and access to crucial decision makers during the life of the project

3.2. Maintain ongoing dialogue with relevant regulatory bodies, ministries and other government agencies that can influence the framework of the project

- 3.2.1. Represent your interests during these discussions to help ensure that they are considered as part of the process

3.3. Monitor changes in policy and/or decision makers

- 3.3.1. Ensure that you and your project are introduced to new individuals in a timely manner
- 3.3.2. Establish a dialogue with these new decision makers so that they are familiarized with the project and its benefits to Pakistan



4. Support the project approval process

- 4.1. Facilitate discussions with key local stakeholders as noted above to understand the key considerations and commercial terms available for the project
 - 4.1.1. Negotiate certain conditions and financial terms, if deemed necessary
 - 4.1.1.1. Provide local insights to support your negotiating process by utilizing our knowledge of the local political landscape, government priorities and key pressure points
- 4.2. Obtain details on the project approval criteria, process and timeline as prescribed by the relevant government authority
 - 4.2.1. Ensure that local professional services providers are aligned with these requirements and deliver their opinions, analyses, studies in a timely manner to ensure your ability to submit required documents on schedule
 - 4.2.2. Facilitate the timely submission of documents to various government bodies on your behalf, as applicable (LoI, tender, binding offer, required supporting documents, etc.)
- 4.3. Obtain feedback from approving entities in a timely manner by leveraging our existing relationships to address any potential concerns or objections
 - 4.3.1. Work closely with your personnel to manage the process and ensure that project is approved by all relevant approving agencies and authorities
- 4.4. Maintain an ongoing dialogue with the approving authorities to ensure smooth execution of the project
 - 4.4.1. Support your personnel in maintain a close working relationship with the approving government bodies and their key decision makers

5. Acquiring suitable real estate for project development

- 5.1. Develop a thorough understanding of your project requirements and then utilize our local knowledge to identify appropriate locations
- 5.2. Assist in identifying landowners and negotiating terms for the use of the land
 - 5.2.1. In case of purchase from local private owner, we can provide the local negotiating insights and cultural sensitivity required for a successful negotiation at economically reasonable terms
 - 5.2.2. When acquiring land from the Federal or provincial government, we can utilize our relationships to help ensure that acquisition proceeds at a smooth pace and is in alignment with applicable rules to avoid potential challenges later on
- 5.3. We will work closely with your legal advisors to ensure that real estate acquired, or leased, is based on proper documentation and necessary approvals are in place to avoid potential future legal challenges or regulatory hurdles

6. Maintain harmonious relations with local population

- 6.1. Use our local knowledge and insights to establish cordial relations with the community in which your project will be based
- 6.2. Identify potential issues which may drive the local population to oppose the project and address these matters up front
 - 6.2.1. Establish dialogue with tribal and village leaders to gather local political support for which we can rely on our existing connections with these stakeholders
 - 6.2.2. Identify cost effective community welfare projects that may be helpful in establishing broader support within the population (schools, clinics, etc.)
 - 6.2.3. Potentially employ local citizens in the project (based upon qualifications)

7. Project development support:

- 7.1. We are well positioned to support you with identifying and retaining the services of qualified contractors and vendors required for project construction and supply (as applicable)
 - 7.1.1. Understand your requirements and preferences and advise on suitable vendors/contractors who would be best positioned to work on your project based on our prior experience with them and knowledge of their market reputation
 - 7.1.1.1. Develop a selection criteria and organize an RFP process in close cooperation with your personnel
 - 7.1.1.1.1. Provide you with short list of suitable choices that have a good local reputation and the ability to execute a project like yours
 - 7.1.1.1.2. Work with you, or on your behalf, to conduct a thorough selection process to identify and retain the most qualified candidate(s)
 - 7.1.1.1.2.1. Obtain proposals, evaluate credentials and capabilities and negotiate commercial terms
- 7.2. Support your locally stationed personnel in managing these contractors, as applicable
 - 7.2.1. Ensure work product and output is as per agreed quality and delivered according to schedule by coordinating with contractor and your designated engineering consultants
 - 7.2.2. Identify potential issues and challenges that may occur and develop solutions in a timely manner to ensure work flow remains efficient



8. Staffing and outsourcing solutions

- 8.1.Support your local staffing requirements by providing cost effective, outsourced employees solutions
 - 8.1.1. Leverage large pool of qualified local candidates who are available for fixed term and/or flexible term employment
 - 8.1.2. We are well positioned to scale our team as needed to support your administrative requirements
- 8.2. Coordinate appropriate local recruiting of employees via our fully licensed affiliated recruiting and manpower services provider
 - 8.2.1. Provide end to end recruiting solutions for various categories of employees (engineers, administrative staff, construction workers, etc.)

9. Financing support

- 9.1.Work with your personnel in evaluating the financing package for the project in terms of its acceptability by the local approving agencies
 - 9.1.1.The government will consider the viability of the financing as a key criteria in its determination process
- 9.2.We can also leverage our own networks to potentially assist you in developing a suitable financing package
- 9.3.Identify potential partners and exit strategies over time, as applicable

10.Customs and logistics support

- 10.1.We can utilize our established presence in various port cities to assist provide you with customs clearing support services
 - 10.1.1. Manage time consuming local customs clearance processes
 - 10.1.2. Limit potential project delays due to equipment not being released in a timely manner
 - 10.1.3. Reduce demurrage and storage charges
- 10.2.Provide logistics support for transporting equipment to project site via transportation affiliates
 - 10.2.1. We have longstanding relationships with leading domestic transport services providers
- 10.3.Address equipment storage requirements, if applicable
 - 10.3.1. Work with storage providers that have well established reputations for offering safe and secure facilities

11.Ongoing support services

- 11.1.We are able to continue to support your project even after completion of the build out phase
- 11.2.Ensure smooth ongoing relations with local community
- 11.3.Provide ongoing access to key stakeholders in various government and other organizations
- 11.4.Identify potential changes in the economic or political environment that may require a change in strategy
- 11.5.Identify new growth opportunities and introduce you to potential partners in the future, as applicable

