

## AGREED-UPON PROCEDURES REPORT ON FURTHER ISSUANCE OF SHARES OTHER THAN RIGHT ISSUE

Mr. Usman Zaheer Ahmad  
Chief Executive Officer  
Fauji Foods Limited ("the Company")  
42 CCA, Ex-Park View, DHA Phase VIII  
Lahore

Dear Sir

### Scope and purpose

We have performed the procedures enumerated below, which were agreed to by Fauji Foods Limited (the "Engaging Party"), solely to assist you in evaluating compliance with certain requirements of 'Procedure for Input of Paid-up Capital / Total issue in Central Depository System (CDS) (for listed and unlisted securities)' ("Specified Requirements"), contained within 'Standard Operating Procedures', issued by the Central Depository Company of Pakistan Limited, in respect of the Company's further issue of shares other than right (amounting to Rs. 9,358.75 million) as reflected in the 'Statement of deposit against issuance of shares other than right issue' (the "Subject Matter"), in the year ending 31 December 2023, and may not be suitable for another purpose. The 'Statement of deposit against issuance of shares other than right issue' has been annexed with this report and has been initialed for identification purposes only.

### Restricted use

This agreed-upon procedures report ("AUP Report") is intended solely for the information and use of the Engaging Party and Central Depository Company of Pakistan Limited (CDC) [the "Intended Users"] and is not intended to be and should not be used by anyone else.

### Responsibilities of the Engaging Party

Fauji Foods Limited has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

Fauji Foods Limited is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of Fauji Foods Limited.

### Responsibilities of the Practitioner

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with [Engaging Party], and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness, or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.



## Our independence and quality control

In performing the Agreed-Up Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (IESBA) as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and the independence requirements in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 which require us to be independent of the Engaging party. We are also the statutory independent auditors of the Engaging Party and therefore we also complied with the independence requirements of the Code that apply in context of the financial statement audit.

EY applies **International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements**, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Description of procedures performed

We have performed the procedures described below, which were agreed upon with Engaging Party, via Engagement Letter [Ref: LA/1228/23] dated 14 March 2023, on the Subject Matter.

Our procedures and findings included:

	Procedures	Findings
1	Obtained the 'Statement of deposit against issuance of shares other than right issue', duly signed by the Chief Executive Officer of the Company.	We obtained the Statement of deposit against issuance of shares other than right issue' (the 'Statement', annexed with this report), duly signed by the Chief Executive Officer of the Company.
2	<p>Checked paid-up capital / total issue and receiving of subscription amount by:</p> <p>a) Tracing the amount of total issuance, received in cash and amounting to Rs.8,650 million, to relevant bank statements.</p> <p>b) Tracing the markup of Rs. 708.75 million, previously payable to Fauji Fertilizer Bin Qasim Limited, being converted into paid-up capital at par, from the audited financial statements of the Company for year ended 31 December 2022.</p> <p>c) Tracing the amount of total issuance of Rs. 9,358.75 million to the special resolution passed by the members of the Company.</p>	<p>We identified that</p> <p>a) Rs. 8,650 million has been received by the Company in bank account maintained with Askari Bank Limited having account number 289165000079.</p> <p>b) Markup of Rs. 708.75 million previously payable to Fauji Fertilizer Bin Qasim Limited, being converted into paid-up capital at par, is in agreement with the audited financial statements of Company for the year ended 31 December 2022.</p> <p>c) Total issuance of Rs. 9,358.75 million, to parties mentioned in the Statement, is in agreement with special resolution passed by the members of the Company, in Extraordinary General Meeting held on 18 October 2022.</p>





	d) Checked the revised paid-up capital after issuance of ordinary shares and report the finding.	d) Following the allotment of aforementioned shares, the revised paid-up capital would be Rs. 25,199,631,390, as reflected in the Statement.
3	Enquired from management that all requirements with regard to allotment of ordinary shares of the Company, under the current issuance, in the name of CDC have been fulfilled and report our findings.	Management have represented to us in writing that all conditions with regard to allotment of ordinary shares of the Company, under the current issuance, in the name of CDC have been fulfilled.
4	Enquired from management whether any requirements have been imposed by any regulatory body. If answer is yes, enquired from management whether these requirements have been fulfilled by the Company in every respect and report our findings.	Management have represented to us in writing that no additional requirements have been imposed by regulatory body, on the Company, with regard to allotment of securities in the name of CDC.

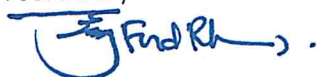
#### Explanatory paragraph

We were not engaged to perform, and we have not performed any procedures other than those previously listed. The Company is responsible for the source information that are described in the specified procedures and related findings section. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source information. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

Our work does not include the provision of legal advice and we make no representations regarding questions of legal interpretation / views in respect of Specified Requirements. Furthermore, we undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

At the Company's request, we are prepared to allow the Company to disclose this AUP Report, in the original, complete and unaltered form, to CDC provided that AUP Report is read with the annexed transmittal letter.

Yours truly



Date: 14 March 2023  
Chartered Accountants  
Lahore, Pakistan

Encl:

Appendix A: Transmittal Letter for Intended User  
Appendix B: Statement of deposit against issuance of shares other than right issue

**TRANSMITTAL LETTER FOR INTENDED USERS**

**AGREED UPON PROCEDURES**

**THIRD PARTY RELEASE AGREEMENT**

You have requested to obtain a copy of the Fauji Foods Limited's (the Company's) agreed-upon procedure report (the "AUP Report"). The accompanying AUP Report was prepared by Ernst & Young ("EY") and is dated 14 March 2023.

The AUP Report was prepared and is intended solely for the information and use by Central Depository Company of Pakistan Limited ("CDC") (the "Intended User") and was not intended for use by any other persons. EY was engaged by the Company to perform an agreed-upon procedures engagement for its intended purpose of complying with the certain requirements of **Procedure for Input of Paid-up Capital** for further issue of shares other than right issue (the "Services"). The Company has informed EY that it wishes to disclose a copy of the AUP Report to you, the recipient company, wishing to obtain access hereunder (referred to herein as, the "Recipient").

The Recipient acknowledges and agrees that:

1. You are one of the Intended Users listed above with sufficient knowledge and understanding to use the AUP Report. This AUP Report is not intended to be used by any other person or entity who are not identified as an intended user above.
2. The Services were undertaken, and the AUP Report was prepared, solely for the information and use of Company and its Intended Users and was not intended for use by any other persons.
3. EY makes no representation or warranty to the Recipient as to the appropriateness of the procedures. Had EY been engaged to perform additional services or procedures, other matters might have come to EY's attention that would have been addressed in the AUP Report.
4. The Company and Recipient have agreed and acknowledged that the procedures performed are appropriate for the intended purpose mentioned above. Intended Users are responsible for determining whether the procedures performed are appropriate for their purposes. The procedures performed may not address all of the items of interest to an AUP Report user. We understand that EY has made no representation or warranty as to the appropriateness of the procedures or otherwise with respect to the Services or the AUP Report.
5. We understand that no procedures have been performed subsequent to the date of the AUP Report.
6. The Company is responsible for the Subject Matter. In addition, the Company is responsible for the source documents that are described in the specified procedures and related findings. EY was not engaged to perform and has not performed any procedures other than those described in the AUP Report, including procedures to test the accuracy or completeness of information provided to us.





7. The Services did not constitute:

- a. an audit, review or examination of financial statements in accordance with the International Standards on Auditing ("ISAs") as promulgated by the International Auditing and Assurance Standards Board (the "IAASB")
- b. an examination of prospective financial statements in accordance with applicable professional standards; or
- c. a review to detect fraud or illegal acts.

8. The Services did not include any procedures to test compliance with the laws or regulations of any jurisdiction.

9. The Recipient does not acquire any rights against EY or any EY Parties (as defined below) and EY assumes no duty or liability to the Recipient in relation to the Services or contents of the AUP Report.

10. The Recipient will not contend that any provisions of Pakistan's federal or state securities laws could invalidate or avoid any provision of this agreement.

11. Except where compelled by legal process (of which the Recipient shall promptly inform EY and tender to EY, if EY so elects, the defense thereof), distribution or disclosure of any portion of the AUP Report or any information or advice contained therein is prohibited, and the Recipient will not disclose, orally or in writing, the AUP Report or any portion thereof, or make any reference to EY in connection therewith, in any public document or to any third party.

12. The Recipient (for itself and its successors and assigns) hereby releases each of the EY Parties from any and all claims or causes of action that the Recipient has, or hereafter may or shall have, against them in connection with the AUP Report and the Recipient's access to the AUP Report.

13. To the fullest extent permitted by applicable law, the Recipient shall indemnify, defend and hold harmless the EY Parties from and against all claims, by third parties and resulting liabilities, losses, damages, costs and expenses suffered or incurred by any of the EY Parties arising out of or in connection with any breach of this agreement by the Recipient or its representatives, and/or a third party's use, disclosure of or reliance on the AUP Report or any portion thereof disclosed to it from or through a Recipient or at a Recipient's request.

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the laws of the Pakistan and the courts of Pakistan shall have exclusive jurisdiction in respect of any dispute arising from or in connection with this third party release agreement.

For the purposes of this agreement, "EY Parties" shall mean EY, any other member firm of the global EY network, or any of their respective affiliates, partners, agents, representatives, or employees.

If you wish to access the AUP Report, you must accept and agree to the above terms and conditions and your acceptance will be final.





Building a better  
working world

By receiving a copy of the AUP Report, you accept and agree, on behalf of yourself and the Recipient, to be bound by these terms and conditions. Such acceptance and agreement shall be deemed to be as effective as a written signature manually by you, for and on behalf of the Recipient, and shall be deemed to satisfy any requirements by any applicable law to create a legally enforceable contract, notwithstanding that the agreement is written and accepted electronically.

**STATEMENT OF DEPOSIT AGAINST ISSUANCE OF SHARES OTHER THAN RIGHT  
ISSUE**

Revised paid up capital, after the issuance of shares other than right issue as approved in EOGM held on October 18, 2022 will be as follows:

Description	Number of Shares	Par Value	Amount (Rupees)
Existing Paid up Capital	1,584,088,159	10	15,840,881,590
Issue of shares other than right			
Shares on conversion of accrued markup - FFBL	70,874,980	10	708,749,800
Shares against cash			
FFBL Power Company Limited	400,000,000	10	4,000,000,000
FFC Energy Limited	465,000,000	10	4,650,000,000
Total new issue of shares	935,874,980	10	9,358,749,800
Revised paid up capital	2,519,963,139	10	25,199,631,390

- (a) All conditions with regard to allotment of ordinary shares of the Company, under the current issuance, in the name of CDC have been fulfilled;
- (b) No additional requirements have been imposed by regulatory body, on the Company, with regard to allotment of securities in the name of CDC.



**Chief Executive Officer**

