



The Chief Executive Officer
Engro Holdings Limited
(formerly Dawood Hercules Corporation Limited)
9th Floor, Dawood Centre
M. T. Khan Road
Karachi

January 7, 2025

ASR 3515

Dear Sir

AUDITOR'S CERTIFICATE ON THE REVISED SHARE CAPITAL AFTER THE ENVISAGED ISSUANCE OF SHARES AS PER THE SCHEME OF ARRANGEMENTS

We have been given to understand that under sections 279 to 282 and 285(8) of the Companies Act, 2017 the Islamabad High Court (the Court) through its order dated July 18, 2024 sanctioned a Scheme of Arrangements between (i) Dawood Hercules Corporation Limited, now renamed as Engro Holdings Limited, (DH Corporation) and its members; (ii) DH Partners Limited (DHPL) and its members; and (iii) Engro Corporation Limited (Engro Corporation) and its members. The Scheme inter alia provides for as follows:

- (a) DH Corporation to be demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of Engro Corporation (the "Demerged Undertaking") vest into DHPL against which DHPL issues shares in its share capital to the shareholders of DH Corporation ("DH Existing Shareholders") in the same proportion in which they held shares in DH Corporation;
- (b) shares held by all shareholders of Engro Corporation other than DH Corporation in the issued share capital of Engro Corporation (the "Transferred Shareholders") to vest with and into DH Corporation i.e. Engro Corporation to become a wholly owned subsidiary of DH Corporation, in exchange whereof the Transferred Shareholders to be issued shares by DH Corporation in its share capital in a proportion such that the Transferred Shareholders to hold their earlier proportionate shareholding in Engro Corporation indirectly through DH Corporation; and
- (c) various other consequential or otherwise integrally connected matters therewith.

In connection with the envisaged issuance of shares by Dawood Hercules Corporation Limited ("the Issuer" and / or "Transferee Company"), we, being the statutory auditor of DH Corporation, have been requested to provide you with a certificate in accordance with the requirements as contained in the 'Procedures for Handling of Scheme of Arrangement (De-Merger) Through CDS' ('the CDS Procedures') issued by Central Depository Company of Pakistan Limited (CDC).

Scope of Certificate

The scope of certificate as stipulated in the CDS Procedures requires the statutory auditor to certify the following:

1. Revised paid-up capital of the Transferee Company after credit of shares in respect of de-merger.
2. That all the requirements with regard to allotment of securities in the name of CDC have been fulfilled by the Issuer.
3. That all requirements as per section 282 or 284 of the Companies Act, 2017 have been ensured by DH Corporation.

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4. All movable and/or immovable assets related to the issuance of securities as per the Scheme have been transferred, issued and handed over to Transferee Company.
5. That conditions (if any) imposed by the competent authority / court have been satisfied by the Issuer in every respect.

Management Responsibility

It is DH Corporation management's responsibility to ensure compliance with the legal aspects of the Scheme and also to comply with the provisions of the CDS Procedures and to provide all the underlying information as described in the scope paragraph above to us.

Auditor's Responsibility

Our responsibility is to certify the compliance of the requirements of the CDS Procedures in accordance with the Guidelines for Issue of Certificates for Special Purpose by Practicing Chartered Accountant Firms issued by The Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures mentioned below:

1. Traced the paid-up capital of DH Corporation amounting to Rs 4,812,871,160 divided into 481,287,116 shares of Rs 10 each before the issuance of shares as per the Scheme from the books of account of DH Corporation.
2. Traced the paid-up capital of Engro Corporation amounting to Rs 5,366,264,680 divided into 536,626,468 shares of Rs 10 each before the Effective Date of the Scheme (as defined therein) from the books of account of Engro Corporation.
3. Traced the number of shares (i.e. 722,944,878 ordinary shares) to be issued by DH Corporation against Engro Corporation Shares¹ from Annexure C to the Scheme.
4. Checked the mathematical accuracy of the envisaged revised paid-up capital of DH Corporation after incorporating the adjustments as detailed in paragraphs 1 to 3 above.
5. Obtained confirmation from DH Corporation's legal counsel that:
 - (i) completion of all requirements / conditions as per section 282 or 284 of the Companies Act, 2017 for sanction of the Scheme by the Court have been ensured by DH Corporation, Engro Corporation and DHPL; and
 - (ii) there is no additional condition under the Court Order in relation to the sanction of the Scheme, which needs to be satisfied by any of the companies involved in the Scheme (i.e. DH Corporation, Engro Corporation and DHPL).
6. Checked evidence that the corporate action notice, order of the Court and copy of the Scheme have been submitted to CDC.
7. Obtained representation from DH Corporation's management as follows:
 - (i) No conditions have been imposed by any competent authority / court in connection with the issuance of shares under the Scheme.
 - (ii) Pursuant to sanction of the Scheme by the Court with effect from January 1, 2025, all movable assets (i.e. Engro Corporation Shares) related to the issuance of securities as per the Scheme have vested in, or be deemed to be vested in, DH Corporation without any further act, deed. The effect of this transfer will be reflected in the financial statements of DH Corporation for the year ending December 31, 2025.

¹ Engro Corporation Shares" means the fully paid-up ordinary shares of Rs 10 each in the capital of Engro Corporation held by the Transferred Shareholders.



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- (iii) That all the requirements with regard to allotment of securities in the name of CDC have been fulfilled by DH Corporation. The allotment confirmation letter and CRO certified copy of Form 7 shall be submitted to CDC along with copy of this certificate.

Certificate

Based on the procedures mentioned above, we certify the following:

1. The revised paid-up capital of DH Corporation after issuance of shares to the Transferred Shareholders as per the Scheme shall be as follows:

Particulars	No. of shares	Amount (Rupees)
Paid-up share capital of DH Corporation before issuance of shares as envisaged under the Scheme	481,287,116	4,812,871,160
Shares to be issued by DH Corporation to the Transferred Shareholders under the Scheme	722,944,878	7,229,448,780
Revised paid-up capital of DH Corporation after incorporating the above	<u>1,204,231,994</u>	<u>12,042,319,940</u>

2. That all the requirements with regard to allotment of securities in the name of CDC have been fulfilled by the Issuer.
3. That all requirements as per section 282 or 284 of the Companies Act, 2017 have been ensured by DH Corporation.
4. All movable and/or immovable assets related to the issuance of securities as per the Scheme have vested in, or be deemed to be vested in, DH Corporation with effect from January 1, 2025.
5. That no additional conditions have been imposed by the Islamabad High Court in its order dated July 18, 2024 with respect to issuance of shares under the Scheme.

Restriction on use and distribution

This certificate is being issued on the specific request of DH Corporation in connection with the requirements of the CDS Procedures and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

A. F. Ferguson & Co.,
Chartered Accountants
Karachi