



January 29, 2025

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

Dear Sir,

REQUIREMENT FOR LISTING OF DH PARTNERS LIMITED

Pursuant to the listing requirements of the Pakistan Stock Exchange Limited (PSX) for DH Partners Limited (DHPL), we are pleased to submit the latest unaudited accounts of DHPL for the period May 8, 2024 (the date of incorporation) to November 30, 2024, along with a brief background of the Scheme of Arrangement (the "Scheme").

The Scheme entered into under Sections 279 to 282 and 285(8) of the Companies Act, 2017, has been approved by the shareholders of Engro Holdings Limited ("EHL", formerly Dawood Hercules Corporation Limited), DHPL, and Engro Corporation Limited (ECL) on June 26, 2024, and subsequently sanctioned by the Islamabad High Court vide its Order dated July 18, 2024, effective from January 1, 2025.

The Scheme, inter alia, provides for:

(a) Engro Holdings Limited (*formerly Dawood Hercules Corporation Limited*) is demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of ECL (the "**Demerged Undertaking**") has vested into DHPL against which DHPL has issued shares to the existing shareholders of EHL ("**Existing Shareholders**") in the same proportion in which they hold shares in EHL;

(b) shares held by all shareholders of ECL other than EHL in the issued share capital of ECL (the "**Transferred Shareholders**") have vested with and into EHL i.e. ECL has become a wholly owned subsidiary of EHL, in exchange whereof the Transferred Shareholders have been issued shares by the EHL in its share capital in a proportion such that the Transferred Shareholders now hold their present proportionate shareholding in ECL indirectly through EHL.

You are kindly requested to inform the TRE Certificate Holders of the Exchange accordingly.

Sincerely,

Imran Chagani
Company Secretary

DH Partners Limited

Registered Office: 55-B, 16th Floor, ISE Towers, Blue Area, Islamabad, Pakistan | Tel: +92 51-2893581
Karachi Office / Mailing Address: 9th Floor, Dawood Centre, M.T. Khan Road, Karachi 75530, Pakistan | Tel: +92 21 35686001

DH PARTNERS LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2024

| | Note | Rupees (in '000) |
|--|-------------|-----------------------------|
| ASSET | | |
| CURRENT ASSET | | |
| Bank balance in current account | | 997 |
| TOTAL ASSET | | <u>997</u> |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorised share capital | 3 | <u>4,850,000</u> |
| Issued, subscribed and paid-up share capital | 3 | 1,000 |
| Reserves | | (2,469) |
| TOTAL EQUITY | | <u>(1,469)</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Payable to Dawood Hercules Corporation Limited | | 2,132 |
| Accrued liability | | 334 |
| TOTAL LIABILITIES | | 2,466 |
| TOTAL EQUITY AND LIABILITIES | | <u>997</u> |

The annexed notes 1 to 10 form an integral part of these special purpose financial statements.

Chief Executive Officer

Director

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

| | Note | Rupees (in '000) |
|-------------------------|-------------|-----------------------------|
| Administrative expenses | 4 | (2,469) |
| Loss before tax | | <u>(2,469)</u> |
| Taxation | | - |
| Loss after taxation | | <u><u>(2,469)</u></u> |

The annexed notes 1 to 10 form an integral part of these special purpose financial statements.

Chief Executive Officer

Director

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

| | Rupees (in '000) |
|----------------------------|-----------------------------------|
| Loss after taxation | (2,469) |
| Other comprehensive income | - |
| Total comprehensive loss | <u>(2,469)</u> |

The annexed notes 1 to 10 form an integral part of these special purpose financial statements.

Chief Executive Officer

Director

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

| | Issued, subscribed and paid-up share capital | Revenue reserves Un-appropriated loss | Total |
|--|---|--|---------|
| | ------(Rupees in '000)----- | | |
| Balance as at May 8, 2024 | - | - | - |
| Transaction with owners | | | |
| Issue of ordinary shares | 1,000 | - | 1,000 |
| Total comprehensive loss for the period from May 8, 2024 to November 30, 2024 | | | |
| Loss after taxation | - | (2,469) | (2,469) |
| Other comprehensive income | - | - | - |
| | - | (2,469) | (2,469) |
| Balance as at November 30, 2024 | 1,000 | (2,469) | (1,469) |

The annexed notes 1 to 10 form an integral part of these special purpose financial statements.

Chief Executive Officer

Director

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

Rupees
(in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------|
| Loss for the period | (2,469) |
| Increase in other payables | 2,132 |
| Increase in accrued liability | 334 |
| Net cash used in operating activities | (3) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---|--------------|
| Receipt against issuance of share capital | 1,000 |
| Net cash generated from financing activities | 1,000 |
| Cash and cash equivalents at the end of the period | 997 |

The annexed notes 1 to 10 form an integral part of these special purpose financial statements.

Chief Executive Officer

Director

DH PARTNERS LIMITED
SPECIAL PURPOSE FINANCIAL STATEMENTS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM MAY 8, 2024 TO NOVEMBER 30, 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 DH Partners Limited (the Company) was incorporated in Pakistan on May 8, 2024 as a public unlisted company under the Companies Act, 2017. The Company is the subsidiary of Dawood Hercules Corporation Limited here-in-after referred as DHCL and its principal activity is to manage investments. The registered office of the Company is situated at 55-B, 16th floor, ISE Towers, Blue Area, Islamabad and a liaison office is situated at Dawood Center, M. T. Khan Road, Karachi.

1.2 During the period, the Company, along with DHCL and Engro Corporation Limited (ECL), filed a petition in the Islamabad High Court in respect of a Scheme of Arrangement (the Scheme), under which it is envisaged that DHCL shall be demerged into two legal entities, whereby all its assets, liabilities, and obligations, other than its investment in shares of ECL as specified in the Scheme, shall vest into the Company, against which the Company shall issue its shares to the existing shareholders of DHCL in the same proportion in which they hold shares in DHCL.

On July 18, 2024, through its order, the Islamabad High Court (IHC) has sanctioned the Scheme. As per the Scheme, it shall become effective from January 1, 2025.

1.3 These special purpose financial statements are prepared for the purpose of the listing of the Company on the Pakistan Stock Exchange (PSX) as per the Scheme of Arrangement sanctioned by the IHC.

1.4 These special purpose financial statements being the first financial statements of the Company have been prepared for the period from May 8, 2024 i.e. date of incorporation to November 30, 2024 and accordingly do not include any comparative information.

1.5 The Company incurred various expenses during the period which were paid by DHCL on behalf of the Company and are recognised as payable to DHCL. According to Article 7 of the Scheme (note 1.2), titled "Transfer of Assets and Liabilities", all assets and liabilities of DHCL, excluding those related to ECL, will be transferred to the Company, through which this payable shall be settled.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below. These policies have been consistently applied during the period, unless otherwise stated.

2.1 Basis of measurement

These special purpose financial statements have been prepared under the historical cost convention unless otherwise stated.

2.2 Statement of compliance

2.2.1 These special purpose financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

2.2.2 Standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company

There are certain new standards and amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2025. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027 as per IASB. These standards will become part of the Company's financial reporting framework upon adoption by the Securities and Exchange Commission of Pakistan (SECP). The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

2.3 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise balance with bank in current account.

2.4 Functional and presentation currency

These special purpose financial statements are presented in Pakistan Rupee, which is the Company's functional and presentation currency.

3. SHARE CAPITAL

3.1 Authorised share capital

| November 30, 2024 (Number of shares) | Note | November 30, 2024 ---(Rupees in '000)--- |
|--|-------------------------------|--|
| <u>485,000,000</u> | Ordinary shares of Rs 10 each | <u>4,850,000</u> |

3.2 Issued, subscribed and paid-up share capital

| November 30, 2024 (Number of shares) | | November 30, 2024 ---(Rupees in '000)--- |
|--|---|--|
| <u>100,000</u> | Ordinary shares of Rs 10 each fully paid in cash | <u>1,000</u> |

4. ADMINISTRATIVE EXPENSES

| | | |
|------------------------|-----|--------------|
| Legal and professional | | 1,919 |
| Auditor's remuneration | 4.1 | <u>550</u> |
| | | <u>2,469</u> |

**November 30,
2024**
---(Rupees in '000)---

4.1 Auditor's remuneration

| | |
|---|------------|
| Audit fee of special purpose financial statements | 300 |
| Certifications | 200 |
| | <u>500</u> |
| Out of pocket expenses and sales tax | 50 |
| | <u>550</u> |

5. RELATED PARTY TRANSACTIONS

5.1 The related parties comprise holding company, associated companies, related group companies, key management personnel (KMP) / directors of the Company, companies in which directors are interested and close members of the family of KMP.

5.2 During the period, there were no transactions with related parties, except for those disclosed below:

**November 30,
2024**
---(Rupees in '000)---

Parent Company

| | |
|--|--------|
| Shares issued | 1,000 |
| Expenses paid on behalf of the Company | 2,132 |
| Transaction cost in connection with increase in authorised share capital of the Company borne by DHCL | 33,946 |

6. FINANCIAL INSTRUMENTS BY CATEGORY

FINANCIAL ASSET

At amortised cost

| | |
|---------------------------------|------------|
| Bank balance in current account | <u>997</u> |
|---------------------------------|------------|

FINANCIAL LIABILITIES

At amortised cost

| | |
|--|--------------|
| Payable to Dawood Hercules Corporation Limited | 2,132 |
| Accrued liability | 334 |
| | <u>2,466</u> |

7. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors oversees the management of their risks which are summarised below:

7.1. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter party fail to perform as contracted. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The maximum exposure to credit risk at the reporting date is amounted to Rs 0.997 million.

The bank balance is held with party having a strong credit rating of AAA.

7.2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with liabilities. The Company considers the net assets that will vest into the Company as per the Scheme (note 1.2 and note 1.5) will be sufficient enough to settle the net liabilities of the Company. The table below summarises the maturity profile of the Company's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

| | Contractual cash flows | Less than one year | Between one and five years |
|--|-----------------------------|-----------------------|-------------------------------|
| | ------(Rupees in '000)----- | | |
| Payable to Dawood Hercules Corporation | 2,132 | 2,132 | - |
| Accrued liability | 334 | 334 | - |

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in these special purpose financial statements approximate their fair values.

9. CAPITAL RISK MANAGEMENT

As mentioned in note 1.2 and note 1.5 to these special purpose financial statements, effective from January 1, 2025, scheme of arrangement will be effective, accordingly, the Company shall issue its shares to the existing shareholders of DHCL in the same proportion in which they hold shares in DHCL. The Company will be listed on the Pakistan Stock Exchange (PSX) by March 2025. The primary objective of the Company's capital management is to maintain capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

10. GENERAL

- 10.1** All financial information, except as otherwise stated, has been rounded to the nearest thousand Pakistan rupees.
- 10.2** These special purpose financial statements have been authorised for issue by the Board of Directors of the Company on December 30, 2024.

Chief Executive Officer

Director