



**HALF YEARLY ACCOUNTS**  
**(UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025**



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# COMPANY INFORMATION

## Board of Directors

Mr. Hussain Dawood - Chairman  
Mr. Abdul Samad Dawood – Director  
Ms. Sabrina Dawood – Director  
Mr. Muhammed Amin – Independent Director  
Mr. Isfandiyar Shaheen – Independent Director  
Mr. Shafiq Ahmed – Director  
Mr. Muhammad Bilal Ahmed – Director and CEO

## Board Audit Committee

Mr. Muhammed Amin – Chairman  
Mr. Isfandiyar Shaheen – Member  
Mr. Shafiq Ahmed – Member

## Human Resource and Remuneration Committee

Mr. Isfandiyar Shaheen – Chairman  
Mr. Abdul Samad Dawood – Member  
Ms. Sabrina Dawood – Member

## Chief Financial Officer

Mr. Kamran Hanif Jangda

## Company Secretary

Mr. Khwaja Osama Musharraf

## Registered Office

Registered Address: 55-B, 16th Floor, ISE Towers,  
Blue Area, Islamabad  
Karachi Office: Dawood Centre, M.T. Khan Road,  
Karachi - 75530  
Tel: +92 (21) 35686001 Fax: +92 (21) 35644147  
Email: [shareholders@dawoodhercules.com](mailto:shareholders@dawoodhercules.com)  
Website: [www.dhpartners.com.pk](http://www.dhpartners.com.pk)

## Auditors

A.F. Ferguson & Co. Chartered Accountants  
State Life Building 1-C, I.I. Chundrigar Road, P.O.  
Box 4716, Karachi-74000.  
Tel: +92 (21) 32426682-6  
Fax: +92 (21) 32415007, 32427938

## Tax Consultant

A.F. Ferguson & Co. Chartered Accountants  
State Life Building 1-C, I.I. Chundrigar Road, P.O.  
Box 4716, Karachi-74000.  
Tel: +92 (21) 32426682-6  
Fax: +92 (21) 32415007, 32427938

## Share Registrar / Transfer Agent

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B'  
S.M.C.H.S, Main Shahra-e-Faisal  
Karachi - 74400  
Tel: +92 (21) 111-111-500  
Fax: +92 (21) 34326053  
Email: [info@cdcrsl.com](mailto:info@cdcrsl.com)  
Website: [www.cdcrsl.com](http://www.cdcrsl.com)

## Bankers

Habib Bank Limited  
United Bank Limited  
Bank Al-Habib Limited  
Bank Alfalah Limited

# DIRECTORS' REPORT

PERIOD ENDED JUNE 30, 2025

## The Environment We Operated In

The preceding quarter was marked with significant developments on the geo-political front. The brief Indo-Pakistan war followed by an Iran-Israel war on the western front kept the markets on their feet. In macroeconomic terms, Pakistan's gradual progress towards stabilization continued. Real GDP growth reached 2.7% for FY2025, supported by strong fiscal consolidation and a current account surplus, albeit a small one, which are positive signs. Inflation remained subdued, with headline CPI clocking in at 4.0% in Jul-25. The State Bank of Pakistan has so far maintained its cautious monetary stance, which we believe is a positive step; however, with inflation remaining contained and fiscal indicators exhibiting improvement, the SBP is keeping room for a potential reduction in interest rates, if the data supports such a move. The PKR-USD exchange rate has broadly remained stable, aptly supported by strong remittances that continue to provide much-needed strength to the external account.

Globally, the economic climate remained turbulent. The IMF's April 2025 World Economic Outlook downgraded global growth forecasts to 2.4%, citing intensified trade tensions and policy uncertainty. The United States raised effective tariff rates to levels not witnessed in a long time. This is poised to redefine global supply chains and disrupt investor sentiment in the near term.

The local markets have responded well to the overall politico-economic developments. The benchmark KSE-100 index rose 9.1% by the end of Jun '25 since the beginning of the year. The financial markets continue to reflect the positive impact of improving macroeconomic indicators and declining financial risk parameters. However, the same is yet to be observed in real economic activity. This will be the real test of the sustainability of markets in the medium term. Likewise, tax policies continue to press hard on existing taxpayers, as is evident from the recently promulgated Finance Act. If Pakistan is to develop sustainably, there is an urgent need to rationalize tax collection to widen the network.

Overall, we believe the country is on a positive trajectory, with continued focus on stabilization over the near term. However, special focus on structural measures will be needed to bring the economy back onto a sustainable growth path.

## Our Portfolio

### Equities

We are pleased to report another strong half yearly performance for your portfolio, which delivered a return of 20.5%, outperforming the KSE-100 index return of 9.1%. The investment themes we built our portfolio around continued to generate strong returns, reinforcing our conviction in this strategy.

Our top holdings in the banking sector remained key value drivers, with UBL leading the way as one of the best-performing stocks in the listed space. From its call on riding the yield curve to its swift deposit mobilization, UBL has positioned itself well to navigate the lower-rate environment effectively. Similarly, while Meezan Bank may face some headwinds due to declining interest rates, we have confidence in its management to steer the company toward value creation, as they have consistently done in the past.

Our E&P sector investments (OGDC & PPL) also remained intact. We believe that these companies will remain beneficiaries of continued energy sector reforms. While the government has been slow to execute many of these reforms, their eventual impact is expected to be significant. The next milestone for these companies is their investment in the Reko Diq project. The latest information revealed on the project is very promising and will bode well for the country's development and for the companies' shareholders.

We continue to hold our position in Systems Limited, Pakistan's leading IT company, which remains a standout value driver. With its dollarized revenue model, Systems is among the few Pakistani firms offering USD-based cashflows. However, the rapid development of Artificial Intelligence-based solutions is bringing uncertainty to the future landscape of IT-related services, such as those rendered by Systems Limited. Such developments can bring both tailwinds or headwinds, depending on the pace and nature of adoption. We remain cautiously optimistic about this business and will continue to monitor developments as they materialize.

## What Does the Future Look Like?

The passage of the Federal Budget for FY2026 marks a critical milestone for the Government. With the IMF's emphasis on revenue mobilization still in focus, attention now shifts to the implementation of fiscal measures—particularly those aimed at broadening the tax base and enhancing compliance.

Privatization of State-Owned Enterprises (SOEs) continues to be a key litmus test for reform momentum. Progress in this area will be vital not only for improving operational efficiencies but also for reducing the fiscal drag caused by underperforming public entities. The Government's ability to execute these reforms will be a strong indicator of its commitment to structural transformation.

Encouragingly, Pakistan's sovereign credit rating was upgraded by both Fitch Ratings and S&P Global from 'CCC+' to 'B-' with a stable outlook. This reflects growing confidence in the country's fiscal consolidation, external stability, and reform agenda. The upgrade is expected to lower borrowing costs, improve access to international capital markets, and attract foreign direct investment—providing a meaningful boost to investor sentiment. Moreover, worker remittances have shown a promising upward trend, rising 7.4% YoY in July 2025. This continued strength provides critical support to the external account and reinforces economic stability.

We believe that your portfolio is well suited to benefit from these developments.

### **Financial Performance**

During the six months period ended June 30, 2025, the Company recorded a Return on Investments of PKR 3,292 million and achieved a Profit After Tax of PKR 2,231 million.

### **Earnings Per Share**

The Earnings Per Share for the period stood at PKR 4.63.

### **Acknowledgment**

The Directors express their gratitude to all our shareholders for their confidence and support in the Company to steward their capital. We would also like to thank all stakeholders, including the Government, regulators, market players, and especially financial institutions, for their cooperation. We assure them of our continued commitment to safeguarding their respective interests. We would also like to thank the management and employees for their sincere contributions toward the growth and prosperity of the Company.

**Muhammed Amin**  
Director

**Muhammad Bilal Ahmed**  
Chief Executive Officer

Dated: August 25, 2025

ان اصلاحات کے نفاذ اور ان پر عمل درآمد کروانے کی حکومت کی اہلیت سے ہی اقتصادی ڈھانچے میں بہتری لانے میں حکومت کی سنجیدگی کو ثابت کرے گی۔

حوصلہ افزاء امر یہ ہے کہ Fitch Ratings اور S&P Global دونوں اداروں نے پاکستان کی خود مختار کریڈٹ ریٹنگ میں CCC+ سے اضافہ کر کے B- ریٹنگ دی ہے اور اسے مستحکم قرار دیا ہے۔ یہ واقعہ ہمارے ملک کے مالیاتی استحکام، بیرونی استحکام اور اصلاحات کے ایجنڈے پر بڑھتے ہوئے اعتماد کا مظہر ہے۔ کریڈٹ ریٹنگ میں بہتری آنے سے توقع ہے کہ قرضوں کے حصول کی لاگتوں میں کمی آئے گی، عالمی سرمایہ مارکیٹوں تک رسائی میں اضافہ ہوگا اور غیر ملکی براہ راست سرمایہ کاری کی جائے گی جس سے پاکستان کے لئے سرمایہ کاروں کی سوچ میں بھی بہتری آئے گی۔ مزید برآں، بیرون ملک کام کرنے والے تارکین وطن کی جانب سے ترسیلات کے رجحان میں بہتری دیکھنے میں آئی ہے جس میں سال بہ سال کی بنیاد پر جولائی 2025ء میں %7.4 اضافہ ریکارڈ کیا گیا۔ تارکین وطن کی جانب سے بھیجی جانے والی ترسیلات زر ہمارے بیرونی کھاتوں میں نہ صرف بہتری لاتی ہیں بلکہ ملک کے اقتصادی استحکام میں بھی اہم کردار ادا کرتی ہیں۔

ہم یقین رکھتے ہیں کہ آپ کا پورٹ فولیو ان پیش رفتوں سے فائدہ اٹھانے کے لئے پوری طرح تیار ہے۔

## مالیاتی کارکردگی

رواں سال مالی سال میں ختم ہونے والے ششماہی مدت کے دوران کمپنی نے 3,292 ملین روپے کی سرمایہ کاری آمدنی اور 2,231 ملین روپے کا بعد از ٹیکس منافع حاصل کیا۔

## فی شیئر کمائی

فی شیئر کمائی (EPS) 4.63 روپے رہی۔

## اظہار تشکر

کمپنی کے ڈائریکٹر اپنے تمام شیئر ہولڈروں کے تہہ دل سے مشکور ہیں کہ انہوں نے اپنے سرمایہ سنبھالنے کے لئے کمپنی پر بھرپور اعتماد اور حمایت کی۔ ہم اپنے تمام اسٹیک ہولڈروں بشمول حکومت، ضابطہ کاروں، مارکیٹ کوچلانے والوں اور خاص طور سے مالیاتی اداروں کو بھی تہنیت پیش کرتے ہیں کہ انہوں نے تعاون اور اعانت جاری رکھی۔ ہم انہیں یقین دلاتے ہیں کہ ہم ان کے متعلقہ مفادات کا بھرپور تحفظ کرتے رہیں گے۔ کمپنی کی ترقی اور خوش حالی کے لئے جاں فشانی سے کام کرنے پر ہم اپنی انتظامی ٹیم اور ملازمین کی کاوشوں کے بھی تہہ دل سے مشکور ہیں۔

محمد بلال احمد  
چیف ایگزیکٹو آفیسر

محمد امین  
ڈائریکٹر

25 اگست 2025ء

## ہمارا پورٹ فولیو ایکویٹیز

آپ کے پورٹ فولیو کی ایک اور مضبوط ششاہی کارکردگی کی رپورٹ دیتے ہوئے ہمیں انتہائی مسرت ہو رہی ہے جس نے 20.5% کی آمدنی فراہم کی جو KSE-100 انڈیکس کی 9.1% کارکردگی سے کافی زیادہ ہے۔ ہم نے پورٹ فولیو کیلئے جو سرمایہ کاری کے اصول بنائے ہیں، وہ مضبوط منافع پیدا کرتے رہے جس سے اس حکمت عملی میں ہمارے یقین کو تقویت ملی۔

بینکاری سیکٹر میں لگایا گیا سرمایہ ہماری کارکردگی میں بہتری کی سب سے بڑی وجہ رہی۔ یونائیٹڈ بینک لمیٹڈ کمپنیوں میں بہترین کارکردگی کا مظاہرہ کر رہا ہے۔ طویل مدتی بونڈ کی خرید و فروخت اور ڈپازٹ میں اضافے کی حکمت عملی پر بروقت توجہ مرکوز کر کے یونائیٹڈ بینک لمیٹڈ نے کم شرح سود والے ماحول میں آگے کی جانب بڑھتے رہنے کے لئے خود کو اچھی طرح تیار کر لیا ہے۔ اسی طرح کم شرح سود کے سبب میزان بینک کو مشکلات کا سامنا ہو سکتا ہے ہمیں بھروسہ ہے کہ اس کی انتظامیہ کمپنی کو تخلیق قدر کی جانب لے جائے گی، جیسا کہ وہ ہمیشہ کرتی آئی ہے۔

توانائی کی کھوج اور پیداوار کے سیکٹر (OGDCL اور PPL) میں ہماری ملکیت برقرار ہے۔ ہم یقین رکھتے ہیں کہ توانائی سیکٹر میں جاری اصلاحات سے یہ دونوں کمپنیاں فائدہ اٹھاتی رہیں گی۔ اگرچہ حکومت کی جانب سے بہت سی اصلاحات کے نفاذ کی رفتار سست رہی ہے تاہم امید ہے کہ ان کے اثرات بھرپور رہیں گے۔ ان کمپنیوں کا ایک اور سنگ میل ریکوڈک پروجیکٹ میں سرمایہ کاری ہے۔ اس پروجیکٹ کے بارے میں ملنے والی تازہ ترین معلومات انتہائی خوش کن ہیں جو ملک کی ترقی میں اہم کردار ادا کرے گا اور کمپنیوں کے حصص یافتگان کو بھی منافع فراہم کرے گا۔

پاکستان کی ایک بڑی آئی ٹی کمپنی سسٹمز لمیٹڈ میں ہماری حیثیت بدستور قائم ہے جو ہماری قدرکاری میں اضافے کا ایک غیر معمولی وسیلہ ہے۔ اس کی آمدنی امریکی ڈالر میں ہونے کے سبب سسٹمز لمیٹڈ پاکستان کی ان گنی چنی کمپنیوں میں سے ایک ہے جن کی نقدی کے بہاؤ امریکی ڈالر میں ہوتے ہیں۔ تاہم مصنوعی ذہانت (آرٹیفیشیل انٹیلیجنس) پر مبنی حلوں کی تیز رفتار ترقی آئی ٹی سے منسلک ایسی خدمات کے مستقبل پر غیر یقینی کے بادل چھا رہے ہیں جیسی خدمات سسٹمز لمیٹڈ مہیا کرتی ہے۔ بدلتے حالات کے مطابق خود کو تبدیل کرنے کی رفتار ہی یہ طے کرے گی کہ اس شعبے میں ترقی ہمارے لیے موافق ثابت ہوگی یا مخالف۔ ہم اس کاروبار کے بارے میں چوکے بھی ہیں اور پر امید بھی اور حالات پر بدستور نظر رکھے ہوئے ہیں اور آئندہ بھی رکھیں گے۔

## مستقبل کا منظر کیسا ہوگا

مالی سال 2026ء کے وفاقی بجٹ کا منظور کیا جانا حکومت کے لئے اہم سنگ میل ہے۔ آئی ایم ایف کی جانب سے آمدنی بڑھانے کا دباؤ بدستور جاری ہے لہذا حکومت کی مالیاتی اقدامات کے نفاذ کی طرف منتقل ہوگئی ہے خاص طور سے ٹیکسوں سے آمدنی کی بنیاد کو وسیع تر کرنا اور تعمیل کو بڑھانا ہے۔

سرکاری ملکیت میں چلائے جانے والے اداروں کی نئے کاری اصلاحات کی رفتار قائم کرنے میں بدستور اہم امتحان ہے۔ اس جانب پیش رفت نہ صرف ان اداروں کے کام کرنے کی صلاحیت بہتر بنانے بلکہ کم کارکردگی والے سرکاری اداروں کے اخراجات کے بوجھ سے نجات پانے میں مرکزی کردار ادا کرے گی۔

# ڈائریکٹرز کی رپورٹ

برائے اختتام مدت 30 جون 2025ء

## ماحول جس میں ہم نے کام کیا

گزشتہ سہ ماہی میں عالمی سیاسی منظر نامے پر کئی قابل ذکر واقعات رونما ہوئے۔ پاکستان اور بھارت کے درمیان مختصر سی جھڑپ کے بعد مغربی محاذ پر ایران اور اسرائیل کے مابین جنگ چھڑی جس نے دنیا بھر کی مارکیٹوں کو چوکنا رکھا۔ میکرو اکنامک اصلاح میں یوں کہا جائے گا کہ استحکام کی جانب پاکستان کا مرحلہ وار سفر بدستور جاری رہا۔ مالی سال 2025ء میں حقیقی خام قومی پیداوار (جی ڈی پی) کی شرح نمو 2.7% تک پہنچی، معمولی ہی سہی لیکن مضبوط مالیاتی استحکام اور جاری کھاتے میں بڑھوتی کی مدد سے ہوئی۔ مذکورہ دونوں صورت حالات میں بہتری مثبت اشاریے ہیں۔ افراط زر قابو میں رہا اور جولائی 2025ء میں CPI نے 4.0% کا ہندسہ ظاہر کیا۔ مالی معاملات میں اسٹیٹ بینک آف پاکستان بدستور احتیاطی تدابیر پر عمل پیرا ہے جو، ہم سمجھتے ہیں کہ مثبت اقدام ہے؛ تاہم مہنگائی قابو میں رہنے اور مالیاتی اشاریوں میں بہتری کے سبب اسٹیٹ بینک شرح سود میں کمی کرنے کے امکانات کا جائزہ لے رہا ہے اگر اعداد و شمار اس طرح کے اقدام کی حمایت کرتے ہیں۔ شرح مبادلہ یعنی پاکستانی روپے کے مقابلے میں ڈالر کے نرخ زیادہ تر مستحکم رہے جس کی وجہ ترسیلات زر میں اضافہ تھا جنہوں نے بیرونی کھاتوں کی مضبوطی میں وہ مدد فراہم کی جس کی اشد ضرورت تھی۔

عالمی معیشت تلاطم کا شکار رہی۔ آئی ایم ایف نے ورلڈ اکنامک آؤٹ لک کے اپریل 2025ء کے شمارے میں عالمی اقتصادیات کے حجم میں 2.4% کی بڑھوتی کے امکان کو رد کیا ہے جس کی وجہ تجارت میں تناؤ اور پالیسیوں کی غیر یقینیاں بتائی ہیں۔ امریکا نے ٹیرف کے نرخوں میں اس قدر اضافہ کیا جو طویل عرصے بعد دیکھنے میں آیا۔ یہ اقدام عالمی سپلائی چین کے اصول نئے سرے سے وضع کرنے اور مستقبل قریب میں سرمایہ کاروں کے جذبات کو درہم برہم کرنے پر منتج ہوگا۔

سیاسی اقتصادی حالات میں مقامی مارکیٹوں نے اچھے رد عمل کا مظاہرہ کیا ہے۔ سال کے آغاز کے بعد KSE-100 انڈیکس کے بیچ مارک میں جون 2025ء میں 9.1% کا اضافہ ہوا۔ مالیاتی مارکیٹوں نے بدستور میکرو اکنامک اشاریوں میں بہتری اور مالیاتی خطرات میں کمی کے مثبت اثرات ظاہر کئے۔ تاہم اس صورت حال کا حقیقی اقتصادی سرگرمیوں میں دیکھا جانا ابھی باقی ہے۔ وسط مدت میں مارکیٹوں کا مستحکم رہنا حقیقی امتحان ثابت ہوگا۔ اسی طرح ٹیکس پالیسیاں موجودہ ٹیکس دہندگان پر سخت دباؤ بڑھاتی رہیں گی جیسا کہ حال ہی میں جاری کردہ فنانس ایکٹ سے ظاہر ہوتا ہے۔ اگر پاکستان کو مارکیٹوں میں ثبات قائم رکھنا ہے تو اس کے لئے ٹیکسوں کی شرح مناسب رکھنی ہوگی تاکہ ٹیکسوں کی آمدنی کا دائرہ وسیع تر ہو سکے۔

مجموعی طور پر، ہم سمجھتے ہیں کہ ملک ایک مثبت راستے پر قدم پیرا ہے اور آئندہ مدت میں استحکام پر مسلسل توجہ دی جا رہی ہے۔ تاہم معیشت کو پائیدار ترقی کی راہ پر واپس لانے کے لیے ساختی اقدامات پر خصوصی توجہ دینے کی ضرورت ہوگی۔



# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DH Partners Limited

## Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of DH Partners Limited as at June 30, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other matters

- Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six months, presented in the second quarter accounts are subject to a limited scope review by the statutory auditor of the Company. Accordingly, the figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes thereto for the quarter ended June 30, 2025, have not reviewed by us.
- The comparative information for the condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows, and related notes, for the period from May 8, 2024 to June 30, 2024, were not audited or reviewed, as the Company became listed on February 3, 2025.

The engagement partner on the audit resulting in this independent auditor's report is Osama Moon.



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

Date: August 28, 2025

UDIN: RR20251005603Pv7AyH6

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# **DH Partners Limited**

## **Condensed Interim Financial Statements**

FOR THE SIX MONTHS PERIOD ENDED  
JUNE 30, 2025

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	34,940	-
Right-of-use assets		65,945	-
Investment properties		47,618	-
		<u>148,503</u>	-
<b>CURRENT ASSETS</b>			
Advances, deposits and prepayment		11,630	-
Other receivables		79,002	-
Short-term investments	6	19,332,780	-
Cash and bank balances		117,085	994
		<u>19,540,497</u>	<u>994</u>
<b>TOTAL ASSETS</b>		<u>19,689,000</u>	<u>994</u>
<b>EQUITY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		<u>4,850,000</u>	<u>4,850,000</u>
Issued, subscribed and paid-up share capital		4,812,871	1,000
Capital reserve		5,250,408	-
Revenue reserve		1,794,719	(2,843)
<b>TOTAL EQUITY</b>		<u>11,857,998</u>	<u>(1,843)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Defined benefit liabilities		7,633	-
Lease liabilities		48,594	-
Deferred taxation		2,809,674	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,865,901</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,137,688	2,837
Current portion of lease liabilities		18,639	-
Unclaimed dividend		1,014,111	-
Taxation - net		2,794,663	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,965,101</u>	<u>2,837</u>
<b>TOTAL LIABILITIES</b>		<u>7,831,002</u>	<u>2,837</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>19,689,000</u>	<u>994</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Kamran Hanif  
Chief Financial Officer

Muhammad Bilal Ahmed  
Chief Executive Officer

Muhammed Amin  
Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED JUNE 30, 2025

	Note	Quarter Ended June 30, 2025	From May 8, 2024 to June 30, 2024	Six Months Period Ended June 30, 2025	From May 8, 2024 to June 30, 2024
----- (Rupees in '000) -----					
Return on investments - net	8	2,658,829	-	3,292,487	-
Administrative expenses		(68,558)	-	(108,315)	-
Gross profit		2,590,271	-	3,184,172	-
Other income - net		16,620	-	32,226	-
Operating profit		2,606,891	-	3,216,398	-
Finance costs		(2,360)	-	(2,585)	-
Profit before taxation and levy		2,604,531	-	3,213,813	-
Levy	9	(83,687)	-	(140,713)	-
Profit before taxation		2,520,844	-	3,073,100	-
Taxation	10	(751,381)	-	(842,380)	-
Profit after taxation		1,769,463	-	2,230,720	-
Earnings per share	11	3.68	-	4.63	-

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Muhammad Bilal Ahmed**  
Chief Executive Officer

**Muhammed Amin**  
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED JUNE 30, 2025

	<b>Quarter Ended June 30, 2025</b>	<b>From May 8, 2024 to June 30, 2024</b>	<b>Six Months Period Ended June 30, 2025</b>	<b>From May 8, 2024 to June 30, 2024</b>
	----- (Rupees in '000) -----			
Profit after taxation	<b>1,769,463</b>	-	<b>2,230,720</b>	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<b>1,769,463</b>	-	<b>2,230,720</b>	-

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Muhammad Bilal Ahmed**  
Chief Executive Officer

**Muhammed Amin**  
Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

		Issued, subscribed and paid-up share capital	Capital reserve  Reserve arising as a consequence of Scheme of Arrangement	Revenue reserve  Un-appropriated profit	Total
	Note				
----- (Rupees in '000) -----					
<b>Balance as at May 8, 2024</b>		-	-	-	-
<b>Transaction with owners</b>					
Issue of ordinary shares		1,000	-	-	1,000
<b>Balance as at June 30, 2024 (Un-audited)</b>		<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
<b>Balance as at January 1, 2025 (Audited)</b>		1,000	-	(2,843)	(1,843)
<b>Comprehensive income</b>					
Profit after taxation		-	-	2,230,720	2,230,720
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	2,230,720	2,230,720
<b>Transaction with owners</b>					
Effect of Scheme of Arrangement	1.2.3 to 1.2.5	4,811,871	5,250,408	-	10,062,279
Interim dividend paid @ Re 0.9 per share for the year ending December 31, 2025		-	-	(433,158)	(433,158)
<b>Balance as at June 30, 2025 (Un-audited)</b>		<u>4,812,871</u>	<u>5,250,408</u>	<u>1,794,719</u>	<u>11,857,998</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Muhammad Bilal Ahmed**  
Chief Executive Officer

**Muhammed Amin**  
Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

	Note	Six Months Period Ended June 30, 2025 ----- (Rupees in '000) -----	From May 8, 2024 to June 30, 2024 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	12	133,067	-
Finance costs paid		(1,321)	-
Taxes and levy paid		(350,977)	-
Defined benefit liabilities paid		(1,896)	-
Interest received on bank deposits and investments		6,283	-
Short-term investments purchased and redeemed - net		(63,066)	-
Dividends received		562,758	-
<b>Net cash generated from operating activities</b>		<b>284,848</b>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		(1,268)	-
Sale proceeds from disposal of property and equipment		3,380	-
<b>Net cash generated from investing activities</b>		<b>2,112</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issue of share capital		-	1,000
Lease rentals paid during the period		(11,725)	-
Dividend paid		(419,917)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(431,642)</b>	1,000
Net (decrease) / increase in cash and cash equivalents		(144,682)	1,000
Cash and cash equivalents at the beginning of the period		994	-
Cash and cash equivalents transferred from EHL	1.2.2	260,773	-
Cash and cash equivalents at the end of the period		<b>117,085</b>	1,000

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**Kamran Hanif**  
Chief Financial Officer

**Muhammad Bilal Ahmed**  
Chief Executive Officer

**Muhammed Amin**  
Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

## 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. During the period on February 3, 2025, the Company has been listed on Pakistan Stock Exchange (PSX) 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 SCHEME OF ARRANGEMENT

1.2.1 During the period from May 8, 2024 to December 31, 2024, the Company, along with Engro Holdings Limited (EHL) 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 was envisaged that EHL 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 EHL in the same proportion in which they hold shares in EHL.

The Scheme was sanctioned by the Islamabad High Court on July 18, 2024 and it became effective as of January 1, 2025 and all the assets, liabilities, and obligations of EHL, other than its investment in shares of ECL as specified in the Scheme, have been vested into the Company, against which the Company has issued its shares to the existing shareholders of EHL in the same proportion in which they held shares in EHL.

The transaction has been accounted for as a common control transaction under the predecessor method in accordance with the applicable financial reporting framework. Accordingly, the net assets of EHL transferred to the Company have been recognised at their carrying amounts as reflected in the financial statements of EHL immediately prior to the demerger. No gain or loss has been recognised in respect of this transaction.

1.2.2 As at January 1, 2025, the following assets and liabilities were transferred to the Company from EHL:

### ASSETS

----(Rupees in '000)----

#### Non-Current Assets

Property and equipment	39,921
Right-of-use assets	5,735
Investment properties	48,268
	<u>93,924</u>

#### Current Assets

Advances, deposits and prepayments	12,015
Other receivables	28,516
Short-term investments	16,546,268
Cash and bank balances	260,773
	<u>16,847,572</u>
<b>TOTAL ASSETS</b>	<u>16,941,496</u>

### LIABILITIES

#### Non-Current Liabilities

Defined benefit liabilities	7,633
Deferred taxation	2,012,564
	<u>2,020,197</u>

#### Current Liabilities

Current portion of lease liabilities	7,870
Trade and other payables	1,095,892
Unclaimed dividend	1,000,870
Taxation - net	2,754,388
	<u>4,859,020</u>
<b>TOTAL LIABILITIES</b>	<u>6,879,217</u>
<b>NET ASSETS TRANSFERRED</b>	<u>10,062,279</u>



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

- 1.2.3 In accordance with the Scheme of Arrangement, the Company issued 481.287 million ordinary shares of Rs 10 each, aggregating Rs 4,812.871 million, to the shareholders of EHL.
- 1.2.4 As part of the Scheme of Arrangement, share capital amounting to Rs 1 million held by the existing shareholders of the Company was cancelled.
- 1.2.5 The excess of the net assets transferred over the nominal value of shares issued and the effect of cancellation of share capital held by existing shareholders of the Company have been recognised in equity as a capital reserve arising as a result of Scheme of Arrangement, as follows:

		----(Rupees in '000)----
	Note	
Total net assets transferred from EHL	1.2.2	10,062,279
Nominal value of the shares issued by the Company	1.2.3	(4,812,871)
Cancellation of share capital held by the existing shareholders of the Company	1.2.4	1,000
		<hr/>
		5,250,408

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of, and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 These condensed interim financial statements should be read in conjunction with the financial statements of the Company for the period from May 8, 2024 to December 31, 2024 as these provide an update of previously reported information.
- 2.3 These condensed interim financial statements include the condensed statement of financial position as at June 30, 2025 and the condensed interim statement of profit or loss, the condensed interim statement of total comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the six months period then ended, which have been reviewed but not audited.
- 2.4 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of the financial statements of preceding financial period. The Company was incorporated on May 8, 2024, therefore the condensed interim statement of profit or loss, condensed interim statement of total comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows include comparative information from May 8, 2024 to June 30, 2024, which were neither audited nor reviewed.
- 2.5 **New standards, amendments and interpretation to published accounting and reporting standards which became effective during the period ended June 30, 2025:**

There were certain amendments to accounting and reporting standards which became effective for the Company's accounting during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

## 2.6 **New standards and amendments to published accounting and reporting standards that are not yet effective:**

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements: Disclosures with applicability date of July 1, 2027 as per IASB. This standard will become part of the Company's financial reporting framework upon adoption by the 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 to the Company effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of the new standard and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

## 3. **MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these condensed interim financial statements are set out below.

### 3.1 **Property and equipment**

These are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any except for leasehold land which is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of assets.

Assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other costs are charged to profit or loss in the year in which such are incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All repairs and maintenance are charged to profit or loss during the financial period in which such costs are incurred. Major renewals and improvements, if any, are capitalised in accordance with IAS 16 'Property, Plant and Equipment' and depreciated in a manner that best represents the consumption pattern.

Disposal of assets is recognised when significant risks and rewards incidental to ownership have been transferred to the buyer. The gain and loss on disposal is determined by comparing the proceeds with the carrying amount and is recognised in profit or loss for the period.

Depreciation is charged to profit or loss applying the straight line method so as to write off the historical cost of the assets over their estimated useful lives. Depreciation on additions is charged from the following month in which the asset is available for use and on disposals up to the month the asset is no longer in use. The assets' residual values and useful lives are reviewed annually, and adjusted, if material.

### 3.2 **Investment properties**

Investment properties, principally comprising of land and buildings, are held for long term rental yields / capital appreciation. The investment properties of the Company comprise of land and building and are valued using the cost method i.e. at cost less any accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any.

Depreciation is charged to profit or loss applying the straight line method so as to write off the historical cost of the investment properties over their estimated useful lives. Depreciation on additions is charged from the following month in which the asset is available for use and on disposals up to the month the investment properties are no longer in use.

The residual values and useful lives of investment properties are reviewed annually and adjusted, if material.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as income or expense in the profit or loss.

## 3.3 Financial assets and liabilities

### 3.3.1 Financial assets

The Company classifies its financial assets in the following categories:

a.) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in of profit or loss.

b.) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c.) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt instrument that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investment in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

All purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the financial asset.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in condensed interim statement of profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### 3.3.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

## 3.3.3 Impairment

### a) Financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried other than at fair value through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### b) Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.4 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, balances with banks in current and savings account, other short-term highly liquid investments with original maturities of three months or less.

## 3.5 Staff retirement benefits

### 3.5.1 Defined benefit plan

The Company operates defined benefit plans i.e. funded gratuity scheme for all its permanent employees who have completed minimum service of prescribed period.

Actuarial valuation for funded gratuity scheme is carried out every year using the projected unit credit method. Remeasurements (actuarial gains / losses) in respect of defined benefit plan are recognised in other comprehensive income.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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## 3.6 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

## 3.7 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

## 3.8 Levy and income tax

### Levy

In accordance with Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 and accordingly are classified as levy in the financial statements.

### Income tax

The tax expense for the period comprises current and deferred tax. Tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In which case, the tax is also recognised in OCI or directly in equity, respectively.

#### - Current income tax

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001, after taking into account tax credit available, if any.

#### - Deferred income tax

Deferred tax is recognized using the liability method on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary difference to the extent it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

## 3.9 Contingent liabilities

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured reliably.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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## 3.10 Revenue recognition

- Dividend income is recognised when the Company's right to receive dividend is established, i.e. on the date of book closure of the investee entity declaring the dividend.
- Returns on bank deposits are accrued on a time proportion basis by reference to the outstanding principal amounts and the applicable rates of return.
- Gains and losses arising on disposal of investments are included in income in the year in which these are disposed of.
- Unrealised gains and losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in the profit or loss in the period in which these arise respectively.

## 3.11 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

## 3.12 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupee, which is the Company's functional currency.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements requires the management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates, and assumptions.

The significant accounting estimates and judgments made by the management in the preparation of these condensed interim financial statements are as follows:

### 4.1 Income taxes

In making the estimates for current income tax payable by the Company, the management considers the applicable laws and the decisions / judgements of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgements and the best estimates of future results of operations of the Company.

### 4.2 Contingencies and provisions

Significant estimates and judgements are being used by the management in case of contingencies and provisions relating to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgements.

### 4.3 Fair value of investments

The Company determines fair value of its investments (classified at fair value through profit or loss) by using quotations from active market and conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- (Rupees in '000) -----			
<b>5. PROPERTY AND EQUIPMENT</b>			
Operating fixed assets (WDV) opening balance - As at January 1		-	-
Transfers and additions during the period	5.1	<u>41,189</u>	<u>-</u>
		41,189	-
Disposals during the period (WDV)	5.2	<u>(2,484)</u>	<u>-</u>
Depreciation charge for the period		<u>(3,765)</u>	<u>-</u>
		(6,249)	-
Operating fixed assets (WDV) - closing balance		<u>34,940</u>	<u>-</u>
5.1 Transfers and additions during the period			
<b>Transfers from EHL</b>			
Furniture, fittings and equipment		32,210	-
Data processing equipment		4,071	-
Vehicles		3,640	-
	1.2.2	<u>39,921</u>	<u>-</u>
<b>Additions</b>			
Furniture, fittings and equipment		<u>1,184</u>	<u>-</u>
Data processing equipment		<u>84</u>	<u>-</u>
		1,268	-
5.2 Disposals during the period - net book value		<u>41,189</u>	<u>-</u>
Furniture, fittings and equipment		5	-
Data processing equipment		116	-
Vehicles		2,363	-
		<u>2,484</u>	<u>-</u>
<b>6. SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Mutual Funds		411,832	-
Quoted shares		<u>18,920,948</u>	<u>-</u>
		19,332,780	-
<b>7. CONTINGENCIES AND COMMITMENTS</b>			
<b>7.1 Contingencies</b>			
As per details stated in note 1.2, the following contingencies as appearing in EHL's financial statements for the year ended December 31, 2024 now vest into the Company:			



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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- 7.1.1 EHL had previously pledged 15.131 million shares of Engro Corporation Limited (ECL) with Meezan Bank Limited (as agent) in favor of Fatima Fertilizer Company Limited (FFCL) as collateral against guarantees issued in favor of DH Fertilizer Limited (DHFL, now FFCL) relating to potential tax liabilities, WPPF liabilities, and WWF liabilities for periods ending on or prior to June 30, 2015. These pledged shares were to be released upon completion of two years from the filing date of the Income Tax Return for the year ended December 31, 2015, i.e., September 30, 2016, in the absence of any demand/notice from the relevant authorities.

During the year ended December 31, 2018, 4.639 million shares out of the total 15.131 million shares of ECL were released following the expiration of the specified period concerning WPPF liabilities.

In line with the previous arrangements, EHL had issued a corporate guarantee which remained in effect for five years and would be released upon final settlement or disposal of the aforementioned tax liabilities.

During the year ended December 31, 2024, EHL has replaced all pledged shares of ECL, which were previously held as collateral for guarantees in favor of FFCL, with alternative security provided by Dawood Investments (Private) Limited (DIPL), an associated company.

DIPL pledged 21.625 million shares of its investment in EHL with Meezan Bank Limited as agent on behalf of FFCL. EHL, DIPL and FFCL have agreed that the terms of the Share Pledge and Escrow Agreement, including provisions for the release of pledged shares, will apply mutatis mutandis to these alternative shares, i.e., shares of Engro Holdings Limited.

- 7.1.2 During the year ended December 31, 2017, EHL's ex-subsiary was served with an order dated May 2, 2017 from the Additional Commissioner of Inland Revenue (CIR) – Federal Board of Revenue under Section 122(5A) of the Income Tax Ordinance, 2001 to amend the original assessment for the Tax Year 2016 being prejudicial to the revenue of the Federal Government and raised additional demand of Rs 3,380.65 million.

The issues mainly related to the levy of tax on sale of 'Bubber Sher' brand to wholly owned subsidiary, Bubber Sher (Private) Limited, taxation of capital gain on sale of shares of ECL and HUBCO to the Company and levy of super tax on the income claimed to be exempt from tax. The ex-subsiary being aggrieved with the order filed an appeal with the Commissioner Inland Revenue Appeals (CIRA) and CIRA in its order dated August 7, 2017 decided the matter in favour of the ex-subsiary. The Deputy CIR served the ex-subsiary with an appeal effect order on January 11, 2018, under which the tax liability (primarily on account of Alternate Corporate Tax) was worked out to be Rs 1,051.140 million.

Additionally, the CIR filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIRA, which is currently pending. The ex-subsiary, on the basis of advice of its tax consultant, filed an appeal with CIRA on February 12, 2018, considering the demand to be still prejudicial to its interests. CIRA in its order dated April 26, 2018 decided the matter against the ex-subsiary. The ex-subsiary has filed an appeal with the ATIR on May 9, 2018, against the order passed by CIRA and for grant of stay in respect thereof. The appeal against the order of CIRA is still pending. Meanwhile, the ex-subsiary has also obtained stay from the Lahore High Court against the recovery of demand. The tax advisor of the ex-subsiary is of the view that the appeal effect order passed on January 11, 2018 and the subsequent order of CIRA dated April 26, 2018, are either based on a misinterpretation of the provisions of law or are in violation of the directions given by CIRA in its order dated August 7, 2017. Based on these views, the management of the Company is confident that the matter will eventually be decided in favour of the ex-subsiary. Hence, no provision has been recorded in this respect.

- 7.1.3 During the year ended December 31, 2017, EHL received a show cause notice dated May 11, 2017 from the CIR – Federal Board of Revenue under Section 122(9) of the Income Tax Ordinance, 2001 in respect of Tax Year 2016. In the notice, the CIR expressed intention to reject exemption of intercorporate dividend amounting to Rs 18,008.795 million, to make an addition to capital gain amounting to Rs 615.101 million and also to impose a super tax liability amounting to Rs 666.963 million. EHL being aggrieved, filed a Constitutional Petition before the High Court of Sindh against the proposal to reject the exemption claimed on intercorporate dividend. Further, a Constitutional Petition was filed with the High Court of Sindh against the levy of super tax. The High Court of Sindh issued stay orders in respect of the aforementioned matters with the instructions to the taxation authorities to not finalise the proceedings until the cases were disposed of.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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CIRA issued an order on December 13, 2021, wherein CIRA accepted management's contention with regard to super tax on intercorporate dividend. Accordingly, CIRA has directed CIR to adjust the order to the extent of Rs 547 million on account of super tax on intercorporate dividend.

On January 31, 2023, the High Court of Sindh disposed of the petition by directing EHL to respond to the department against the show cause notice initially issued, within 60 days from the date of the court order. The department was directed to pass an order after hearing EHL in accordance with the law. Both the Company and department have to follow the tax appeals' procedure with respect to the above mentioned notice. Accordingly, EHL submitted its response to the department against the showcause notice initially issued, however, the department has not yet passed an order as directed by the High Court of Sindh.

The management and the tax consultant of the Company believe that there are meritorious grounds available to defend the foregoing demand. Consequently, no provision has been recorded in this respect.

- 7.1.4 During the years 2020 and 2021, in relation to tax years 2019 and 2020 tax demands amounting to Rs 109.196 million and Rs 159.66 million respectively were made to EHL as the taxation authorities were of the view that EHL's interest income did not meet the criteria of the 'income from business' and should be treated as 'income from other sources'. As a result of which the common expenses incurred by EHL cannot be allocated to 'income from other sources' resulting in increased tax liability. However, the Company is of the view that the earning interest / money market income is one of the principal revenue streams of EHL and should be treated as 'income from business' and hence the common expenses incurred by EHL can be allocated to such income.

In addition to this, during year 2023, EHL has been asked by the tax authorities to reassess the income tax return filed by it for tax year 2021 in view of the above-mentioned matter.

In case of EHL's appeals before the Commissioner Inland Revenue (Appeals) (CIRA) for the tax years i.e. 2019 and 2020, it was decided that these are 'income from other sources' rather than 'Income from business'. However, CIRA accepted management's contention with respect to apportionment of administrative expenses and finance cost to profit on debt and directed the tax officer to reassess the apportionment accordingly. EHL has filed appeals for these tax years before the Appellate Tribunal Inland Revenue (ATIR), the adjudication of which is pending to date. The Company's management is expecting a favorable outcome of these appeals. However, on a prudence basis, an amount of Rs 109 million against the demand raised for tax year 2019 (being the first of such demands) is being maintained by the Company.

- 7.1.5 EHL filed its annual tax return for the Tax Years 2023 and 2024 within the due date. However, with respect to super tax applicable under section 4C of the Income Tax Ordinance 2001, EHL filed a petition before the Islamabad High Court on the grounds that tax on income falling under the Final Tax Regime is deducted at the time of receipt of income and is deemed full and final, therefore, no further tax should be applicable on such income. Stay order was granted by the Islamabad High Court. The department filed an appeal before the Supreme Court against the stay order. The case had been heard and decision is reserved.

The Company on a prudent basis is continuing to carry a provision for super tax in these financial statements.

- 7.1.6 On July 29, 2024, EHL received a notice from the Sindh Revenue Board (SRB) demanding Rs 392 million for the tax years 2022 and 2023 as contribution under the Sindh Workers Welfare Fund Act, 2014 (SWWF Act, 2014). The notice stated that industrial establishments in Sindh are required to contribute under SWWF Act, 2014.

A response dated September 10, 2024 to the above notice was submitted to SRB stating that (i) EHL is a trans-provincial entity hence being subjected to laws promulgated by the Federal Government; and (ii) is engaged in investment activities having no workers. Accordingly, EHL is not liable to pay the said contribution. No further correspondence has been received by EHL after that.

However, based on an internal assessment, EHL's management has decided to recognise provision amounting to Rs 733.351 million on account of the contribution under the SWWF Act, 2014 relating to the financial years 2022 to 2024.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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Subsequent to the year end, the High Court of Sindh in its judgment dated January 21, 2025, has held that WWF contributions for trans-provincial entities should remain under federal control until a mutually agreed mechanism is established. However, the Company's management has continued with its assessment to maintain the aforementioned provision based on the grounds that EHL was not a petitioner in the case decided by the High Court of Sindh and the decision is subject to appeal / review at higher forums.

## 7.2 Commitments

7.2.1 There were no commitments as at June 30, 2025 and June 30, 2024.

Note	(Un-audited)			
	Quarter Ended June 30, 2025	From May 8, 2024 to June 30, 2024	Six Months Period Ended June 30, 2025	From May 8, 2024 to June 30, 2024
(Rupees in '000)				

## 8. RETURN ON INVESTMENTS - net

Dividend income	291,206	-	562,758	-
Interest income	8.1 2,587	-	6,283	-
Others	8.2 2,365,036	-	2,723,446	-
	2,658,829	-	3,292,487	-

### 8.1 Interest income

- Profit on savings accounts	1,879	-	4,327	-
- Income on T-Bills & PIBs	708	-	1,956	-
	2,587	-	6,283	-

### 8.2 Others

Loss on sale of quoted shares	(35,678)	-	(72,539)	-
Gain on sale of mutual funds units	14,938	-	15,104	-
Unrealised gain on quoted shares	2,387,664	-	2,780,405	-
Unrealised gain / (loss) on mutual funds	(1,888)	-	476	-
	2,365,036	-	2,723,446	-

## 9. LEVY

Final tax	83,687	-	140,713	-
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This represents final taxes paid under section 5 - 'Tax on dividends' of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21.

	(Un-audited)			
	Quarter Ended June 30, 2025	From May 8, 2024 to June 30, 2024	Six Months Period Ended June 30, 2025	From May 8, 2024 to June 30, 2024
(Rupees in '000)				

## 10. TAXATION

- Current	26,430	-	45,271	-
- Deferred	724,951	-	797,109	-
	751,381	-	842,380	-

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

Note	(Un-audited)			
	Quarter Ended June 30, 2025	From May 8, 2024 to June 30, 2024	Six Months Period Ended June 30, 2025	From May 8, 2024 to June 30, 2024
(Rupees in '000)				
<b>11. EARNINGS PER SHARE</b>				
Profit for the period after taxation	1,769,463	-	2,230,720	-
(Number of shares)				
Weighted average number of ordinary shares outstanding during the period	481,287,116	100,000	481,287,116	100,000
(Rupees)				
Earnings per share	11.1 3.68	-	4.63	-

11.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

Note	(Un-audited)	
	Six Months Period Ended June 30, 2025	From May 8, 2024 to June 30, 2024
(Rupees in '000)		
<b>12. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	3,073,100	-
Adjustments for non cash and other items:		
Levy	140,713	-
Depreciation on property and equipment	3,765	-
Depreciation on right-of-use assets	9,614	-
Depreciation on investment properties	650	-
Finance costs	2,585	-
Charge in respect of deferred liabilities	1,895	-
Return on investments	(3,292,487)	-
Gain on disposal of property and equipment	(895)	-
Working capital changes	12.1 194,127	-
Cash generated from operations	133,067	-
<b>12.1 Working capital changes</b>		
(Increase) / decrease in current assets		
Advances, deposits and prepayment	385	-
Other receivables	(50,486)	-
	(50,101)	-
Decrease in trade and other payables	244,228	-
	194,127	-

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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## 13. FINANCIAL RISK MANAGEMENT AND FINANCIAL DISCLOSURES

### 13.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to react to change in market conditions and the Company's activities.

Risks measured and managed by the Company are explained below:

#### Market Risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates or the market prices of instruments due to change in credit rating of the issuers or the instruments, changes in market sentiments, speculative activities, supply and demand of instruments and liquidity in the market. The Company manages the market risk by monitoring exposure on financial instruments and by following internal risk management policies.

Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

- Fair value risk - Presently, fair value risk to the Company arises from 'balances with banks' and TDRs which are based on fixed interest rates. As at June 30, 2025, the impact of increase / decrease in fixed interest rates by 100 basis points would not have a material impact on the profit after tax of the Company.
- Future cash flow risk - Presently, there is no future cash flow risk to the Company since no item is based on floating interest rates (i.e. KIBOR based).

#### Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company does not have any significant foreign currency exposures.

#### Price risk

Price risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2025, the Company had quoted shares amounting to Rs 18,920.948 million exposed to price risk. In case of change of 1% in quoted price, profit after tax would have been impacted by Rs 141.907 million.

#### Credit risk and its concentration

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

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The Company's exposure to credit risk is influenced mainly by the individual characteristics of each of the parties. To manage exposure to credit risk, management reviews credit ratings, total deposit worthiness and maturities of the investments made, past experience and other factors.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions.

The maximum exposure to credit risk at the reporting date is set out below:

	<b>June 30, 2025 (Un-audited)</b>	December 31, 2024 (Audited)
	----- (Rupees in '000) -----	
Advances and deposits	<b>6,093</b>	-
Other receivable	<b>79,002</b>	-
Bank balance	<b>117,085</b>	994
	<b>202,180</b>	994

The credit quality of the Company's balances with banks aggregating Rs 117.085 million can be assessed with reference to the fact that the minimum credit rating of the banks with which such financial assets are placed is 'A', which denotes obligations supported by a strong capacity for timely repayment.

The Company believes that it is not exposed to major concentration of credit risk.

## Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due. Accordingly, the Company maintains sufficient cash and also ensures availability of funding through credit facilities.

The analysis below summarises the Company's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

	<b>Contractual cashflows</b>	<b>Less than one year</b>	<b>Between one and five years</b>
	-----	(Rupees in '000)	-----
<b>As at June 30, 2025</b>			
<b>Financial liabilities</b>			
Lease liabilities	93,010	32,992	60,018
Trade and other payables	86,413	-	-
Unclaimed dividend	1,014,111	1,014,111	-
	<b>1,193,534</b>	<b>1,047,103</b>	<b>60,018</b>

## 13.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly (i.e. market prices) or indirectly (i.e. derived from prices).

Level III: Valuation techniques using significant un-observable inputs.

The fair value of the Company's short term investments carried at fair value as disclosed in note 6 is based on quoted price of shares at the PSX (Level I). The carrying value of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

During the period, there were no transfers between level 1, level 2 and level 3 fair value measurements.

## 14. RELATED PARTY TRANSACTIONS

14.1 The related parties comprise subsidiaries, associated companies, related group companies, key management personnel (KMP) / directors of the Company, companies in which directors are interested, staff retirement benefits and close members of the family of KMP. The Company, in the normal course of business, carries out transactions with various related parties on mutually agreed terms.

14.2 Transactions with related parties are as follows:

(Un-audited)	
<b>Six Months Period Ended June 30, 2025</b>	<b>May 8, 2024 to June 30, 2024</b>
----- (Rupees in '000) -----	

### Associated companies

Reimbursement of expenses made by associates	<b>68,187</b>	-
Reimbursement of expenses made to associates	<b>30,790</b>	-
Donation	<b>161</b>	-
Mark-up on delayed payment	<b>23</b>	-

### Other related parties

Contribution to staff gratuity fund	<b>1,896</b>	-
Contribution to staff provident fund	<b>3,407</b>	-

### Key management personnel

Salaries and other short-term employee benefits	<b>35,437</b>	-
Post retirement benefit plans	<b>2,422</b>	-
Directors' fee	<b>4,250</b>	-
Proceeds from sale of assets	<b>3,230</b>	-

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

## 15. SUBSEQUENT EVENT

The Board of Directors in its meeting held on August 25, 2025 declared an interim cash dividend of Rs 1 per share (June 30, 2024: Rs Nil per share) amounting to Rs 481.287 million for the year ending December 31, 2025 (December 31, 2024: Rs. Nil). These condensed interim financial statements do not recognise this interim dividend as deduction from unappropriated profit has been declared subsequent to the reporting date.

## 16. GENERAL

16.1 All financial information, except as otherwise stated, has been rounded to the nearest thousand Pakistan rupees.

16.2 These condensed interim financial statements have been authorised for issue by the Board of Directors on August 25, 2025.

**Kamran Hanif**  
Chief Financial Officer

**Muhammad Bilal Ahmed**  
Chief Executive Officer

**Muhammed Amin**  
Director



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