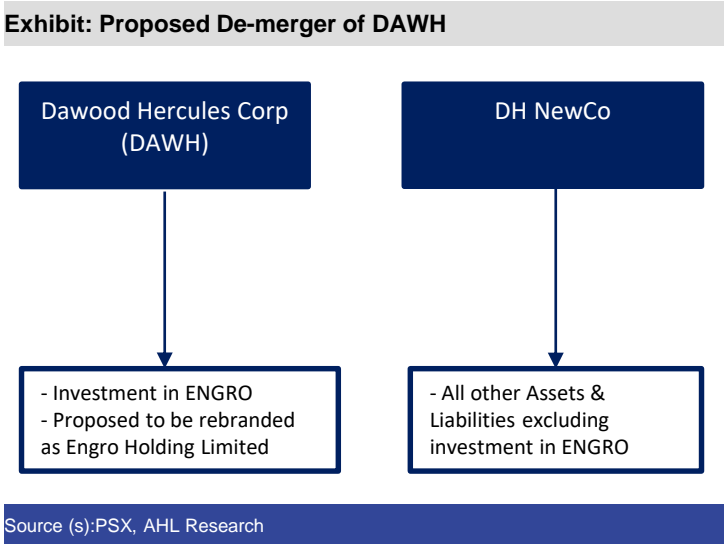


Engro Corporation Limited
ENGRO approves proposed restructuring plan with DAWH

- The Board of Engro Corporation Limited (ENGRO) on 3rd May'24 has given an in-principle approval of the proposed restructuring with Dawood Hercules Corporation Limited (DAWH), as per its notice to PSX.
- DAWH is the largest shareholder of ENGRO (39.97%).
- DAWH proposed a restructuring option to ENGRO, suggesting it to be conducted via a Scheme of Arrangement, which will be sanctioned by High Court.
- According to the Scheme of Arrangement DAWH, will be de-merged into two legal entities where all assets and liabilities of the said company (other than its investment in ENGRO) will be carved out into a new company, which will be held by the current shareholders of the DAWH.
- Meanwhile, DAWH will re brand into Engro Holding Limited and would have only investment in ENGRO. In this scenario, the share in ENGRO held by the shareholders (other than DAWH) will vest into Engro Holdings Limited.
- In exchange the shareholders of ENGRO's (other DAWH shareholders) will be issued shares of Engro Holdings Limited in the same proportion in which they hold shares of ENGRO. As a result, ENGRO will become a wholly owned subsidiary of Engro Holdings Limited (the Restructuring exercise).
- The proposed restructuring seeks to synergize the capital allocation efforts of both companies which are currently pursuing different nature and horizon of investments independently.
- Both ENGRO and DAWH shall be finalizing the proposed restructuring and the Scheme of Arrangement will be presented to respective boards for approval and execution.
- This will broaden the investment horizon for deployment of ENGRO's cashflows beyond its verticals, improving return possibilities for all shareholders.

Exhibit: DAWH Balance Sheet Position and Market Value	
Balance Sheet Position (as of Mar'24)	PKR mn
Investment in ENGRO	23,309
Cash and cash equivalents	8,674
Total Assets	32,468
Total Liabilities	3,548
Total Equity	28,920
Book Value Per share	60.09
Source (s): Company Financials, PSX, AHL Research	



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