



May 06, 2024

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi

Subject: Disclosure of Material Information

Dear Sir / Madam,

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clauses 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following material information:

The Board of Engro Corporation Limited (Engro Corp) in its meeting held on May 03, 2024 has given an in-principle approval of the proposed restructuring of Engro Corp and DH Corporation Limited (DH Corp) by way of a Scheme of Arrangement. Both companies will now finalize the terms of the proposed restructuring and jointly appoint advisors for a Scheme of Arrangement to be presented to the respective Boards for approval and execution.

Further details pertaining to the above material information are mentioned in the Disclosure Form enclosed as Annexure A.

For and on behalf of

Engro Corporation Limited:

A handwritten signature in blue ink, appearing to read "Yasir Khan", with a blue horizontal line underneath.

Mohammad Yasir Khan

Company Secretary

Enclosed:

Annexure A

Copied:

Director / HOD

Listed Companies Department, Supervision Division

Securities & Exchange Commission of Pakistan

NIC Building, 63 Jinnah Avenue Blue Area,

Islamabad

Annexure A
Disclosure Form
(Securities Act, 2015)

May 06, 2024

Name of Company:	Engro Corporation Limited
Date of Report:	May 06, 2024
Name of Company as specified in its Memorandum:	Engro Corporation Limited
Company's Registered Office:	8 th Floor, The Harbor Front Building, HC # 3, Marine Drive, Block 4, Clifton, Karachi
Contact Information:	Mohammad Yasir Khan Company Secretary

Disclosure of Inside Information by the Company:

On April 19, 2024, Engro Corporation Limited (“**Engro Corp**”) received a letter from its largest shareholder, Dawood Hercules Corporation Limited (“**DH Corp**”), in which a restructuring option was proposed to Engro Corp for evaluation. This option was recommended with the goal of building financial synergies that are value additive to the enterprise, while enhancing returns to shareholders of both companies.

This shall be achieved through a Scheme of Arrangement to be sanctioned by the relevant High Court, whereunder (i) DH Corp will be demerged into two legal entities whereby all assets and liabilities of DH Corp (other than its investment in Engro Corp) will be carved out into a new company, which will ultimately be held by current shareholders of DH Corp and following such carveout, DH Corp will only be holding investment in Engro Corp, and (ii) shares in Engro Corp held by the shareholders of Engro Corp (other than DH Corp) will vest into DH Corp in exchange whereof such shareholders will be issued shares of DH Corp in the same proportion in which they hold shares of Engro Corp, which means that such shareholders will have the same proportionate economic shareholding in Engro Corp indirectly through DH Corp. Consequently, Engro Corp will become a wholly owned subsidiary of DH Corp (the “**Proposed Restructuring**”). Given the resulting ownership structure, and the fact that the majority of DH Corp’s capital flows are tied to Engro Corp, the management of DH Corp has also proposed that DH Corp be rebranded to ‘Engro Holdings Limited.’

Upon careful consideration of the Proposed Restructuring, Engro Corp finds it to be a value-accretive proposition that will harmonize capital allocation for the group and should improve returns to shareholders. The Proposed Restructuring would allow the capital at play within the Engro system to be more productive, especially in a challenging macroeconomic environment which currently does not appear conducive for large scale projects. The absence of conducive investment conditions constrains the ability of Engro Corp to allocate capital to ensure increasing future returns to shareholders.



It is important to note that, over the years, Engro Corp has also received consistent feedback from its minority shareholders to consider broader avenues and means of capital deployment to improve returns to shareholders through a more flexible capital allocation. It is, therefore, advantageous to them as DH Corp is a sector-agnostic capital allocator with a track record of sound investments in a wide range of sectors, while Engro Corp continues to allocate capital to develop and manage complex large-scale industrial projects. The Proposed Restructuring thus, aims to synergize the capital allocation efforts of both companies which are presently pursuing investments independently; integrating these efforts would result in a broader array of opportunities for capital deployment, thus improving potential returns for all shareholders.

Furthermore, this would be done with no material increase in costs, as DH Corp (or Engro Holdings, as it will be known) would be managed by a team of investment professionals.

A thorough evaluation of the Proposed Restructuring has led to the conclusion that it benefits all stakeholders in the system, without any disadvantage to anyone. Cashflows generated from Engro Corp's underlying investments would find broader avenues for deployment, improving capital productivity of the enterprise. Engro Corp's current shareholders, who become Engro Holdings shareholders, would continue to earn returns on their indirect investment in Engro Corp through Engro Holdings, while also participating in returns generated from Engro Holdings' other investments, which is in line with the consistent feedback shared by minority shareholders.

Therefore, the Board of Engro Corp in its meeting held on May 03, 2024 has given an in-principle approval of the Proposed Restructuring. Engro Corp and DH Corp will now finalize the Proposed Restructuring and jointly appoint advisors for a Scheme of Arrangement to be presented to the respective Boards for approval and execution.

For and on behalf of
Engro Corporation Limited

A handwritten signature in blue ink, appearing to read "Yasir Khan", with a horizontal line underneath.

Mohammad Yasir Khan
Company Secretary

DATED: May 06, 2024