



March 11, 2024

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

Dear Sir,

Financial Results for the Year Ended December 31, 2023

We would like to inform you that the Board of Directors of Dawood Hercules Corporation Limited (the Company) in its meeting held on Monday, March 11, 2024, at 10.00 a.m. held at Dawood Centre, M.T. Khan Road, Karachi and via Zoom audio/videoconferencing, has approved the audited unconsolidated and consolidated financial statements of the Company for the year ended December 31, 2023.

ANY OTHER PRICE-SENSITIVE INFORMATION

Referring to the various disclosures made at PSX by Engro Corporation Limited (a Subsidiary Company) regarding ongoing discussion with Liberty Mills Limited, along with other parties acting in concert, Engro Corporation Limited is now evaluating the proposed divestment of its thermal energy assets, comprising shareholding in Engro Powergen Qadirpur Limited, Engro Powergen Thar (Private) Limited, and Sindh Engro Coal Mining Company Limited, held via Engro Energy Limited, through a shares sale process.

SECP, through SRO 986 (I)/2019 dated September 2, 2019, has granted specific exemptions to Independent Power Producers (IPPs) from the applicability of IFRS 9, IFRS 16, and IAS 21. Consequently, the debt component recovered from CPPA-G as part of the tariff approved by NEPRA is recorded as revenue in the Profit or Loss Statement over the life of the loan. However, the corresponding depreciation expense related to the IPP is recorded over the term of the Power Purchase Agreement (PPA). The term of the loan being shorter than the term of the PPA results in higher Net Assets in the Consolidated Financial Statements of the Group.

In accordance with the requirements of IAS 36, Engro Corporation Limited has carried out an assessment of the recoverable amount of the thermal energy assets for the purpose of Standalone and Consolidated Financial Statements.

Due to the specific accounting treatment for IPPs, as mentioned above, the Net Assets of the thermal energy assets in the Consolidated Financial Statements of the Group are higher than their recoverable amounts. Accordingly, an accounting impact of PKR 29,950 million (Owners' Share: PKR 5,314 million) has been recognized in the consolidated financial statements for the year ended December 31, 2023. In the Standalone Financial Statements of the Company for the year ended December 31, 2023, no impact has been recognized as the recoverable amount of thermal energy assets is significantly higher than their carrying amount.



www.dawoodhercules.com

Summary of Consolidated Financial Results of the Company for the year ended December 31, 2023 is as follows:

| | 2023 | | | 2022 | | |
|--|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
| | Consolidated PAT | Owners' Share | Earnings Per Share | Consolidated PAT | Owners' Share | Earnings Per Share |
| ----- Amount in '000 except for EPS ----- | | | | | | |
| Profit After Tax – Before Remeasurement of Thermal Energy Assets | 66,314,948 | 13,636,270 | 28.33 | 42,920,401 | 5,866,168 | 12.19 |
| Accounting Impact of Assessment of Recoverable Amount of Thermal Energy Assets, as above | (29,950,311) | (5,314,209) | (11.04) | - | - | - |
| Profit After Tax – After Remeasurement of Thermal Energy Assets | 36,364,637 | 8,322,061 | 17.29 | 42,920,401 | 5,866,168 | 12.19 |

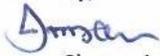
The unconsolidated and consolidated statement of profit or loss for the year ended December 31, 2023 of the Company are attached as '*Annexure A*' and '*Annexure B*'.

The Annual General Meeting of the Company will be held on Friday, April 26, 2024 at 10:30 a.m. at Karachi.

The Share Transfer Books of the Company will be closed from April 20, 2024 to April 26, 2024 (both days inclusive). Transfer received in order at the office of our Registrar, FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi up to the close of business on April 19, 2024, will be treated in time for the purpose to attend and vote at the meeting.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Sincerely,


Imran Chagani
Company Secretary

Encl: As above

Dawood Hercules Corporation Limited

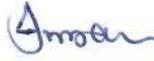
Dawood Centre, M.T Khan Road, Karachi 75530, Pakistan | Tel: +92 21 35686001 | Fax: +92 21 35644147 | info@dawoodhercules.com

DAWOOD HERCULES CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

Annexure ' A '

| | December 31, 2023 | December 31, 2022 |
|---|-----------------------------|--------------------------|
| |('Rupees in '000)..... | |
| Return on investments - net | 14,788,132 | 6,222,433 |
| Administrative expenses | (229,135) | (252,687) |
| Gross profit | <u>14,558,997</u> | <u>5,969,746</u> |
| Other (expenses) / income - net | 93,028 | 26,842 |
| Operating profit | <u>14,652,025</u> | <u>5,996,588</u> |
| Finance cost | (326,848) | (716,003) |
| Profit before taxation | <u>14,325,177</u> | <u>5,280,585</u> |
| Taxation | (3,975,404) | (1,588,311) |
| Profit after taxation | <u>10,349,773</u> | <u>3,692,274</u> |
| Unappropriated profit brought forward | 21,371,883 | 24,895,066 |
| Other comprehensive income | 1,807 | 3,850 |
| Interim cash dividend for the year ended December 31, 2023 & December 31, 2022 @ Rs. 18 & Rs. 15 per share respectively | (8,663,168) | (7,219,307) |
| Profit available for appropriation | <u><u>23,060,295</u></u> | <u><u>21,371,883</u></u> |
| |(Rupees)..... | |
| Earnings per share - basic and diluted | <u><u>21.50</u></u> | <u><u>7.67</u></u> |

For Dawood Hercules Corporation Limited


Imran Chagani
Company Secretary



Date: March 11, 2024

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DAWOOD HERCULES CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

Annexure ' B '

| | December 31, 2023 | December 31, 2022 |
|---|----------------------------|----------------------|
| |('Rupees in '000).... | |
| Continuing Operations | | |
| Revenue | 482,488,902 | 356,642,844 |
| Cost of revenue | (326,853,053) | (251,961,106) |
| Gross Profit | 155,635,849 | 104,681,738 |
| Selling and distribution expenses | (11,620,761) | (9,325,850) |
| Administrative expenses | (17,310,997) | (12,966,810) |
| | 126,704,091 | 82,389,078 |
| Other income | 34,289,575 | 21,318,381 |
| Other operating expenses | (7,570,677) | (10,340,629) |
| Other losses: | | |
| - Loss allowance on subsidy receivable from GoP | (2,440,151) | (522,936) |
| - Adjustment in respect of carrying value of thermal assets | (29,950,311) | - |
| Operating profit | 121,032,527 | 92,843,894 |
| Finance cost | (44,865,294) | (29,460,851) |
| Share of income from joint ventures & associates | 5,241,861 | 3,215,276 |
| Profit before taxation | 81,409,094 | 66,598,319 |
| Taxation | (45,044,457) | (23,677,989) |
| Profit after taxation | 36,364,637 | 42,920,330 |
| Discontinued Operations | | |
| Profit / (Loss) from discontinued operations | - | 71 |
| Profit after tax- total | 36,364,637 | 42,920,401 |
| Profit attributable to : | | |
| - Owners of the Holding Company | 8,322,061 | 5,866,168 |
| - Non Controlling Interest | 28,042,576 | 37,054,233 |
| | 36,364,637 | 42,920,401 |
| Earnings / (loss) per share - basic and diluted | | |
| |(Rupees)..... | |
| - Continuing operations | 17.29 | 12.19 |
| - Discontinued operations | - | - |
| Earnings per share - basic and diluted | 17.29 | 12.19 |

For Dawood Hercules Corporation Limited

Imran

Imran Chagani
Company Secretary

Date: March 11, 2024



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