



April 30, 2020

Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi

Dear Madam,

Auditors Certificate for Maintenance of Security

Pursuant to the requirement of PSX Privately Placed Debt Securities Listing Regulations, please find attached certificate for maintenance of one hundred and twenty five percent (125%) security cover during the period January 1, 2019 to December 31, 2019 with respect to the Islamic Sukuk -1 and 2 issued by Dawood Hercules Corporation Limited duly certified by the Company's auditors A. F. Ferguson & Co., Chartered Accountants.

Kindly acknowledge the receipt.

Sincerely,

Asim H. Akhund
Company Secretary

Encl: as above

CC: Mr. Khurshid Hasan
Partner
A.F. Ferguson & Co.
Chartered Accountants



A.F. FERGUSON & CO.

The Company Secretary
Dawood Hercules Corporation Limited
9th Floor, Dawood Center
M. T. Khan Road
Karachi

April 13, 2020

ASR 2554

Dear Sir

We have been requested by the management of Dawood Hercules Corporation Limited (the Company) to provide you with a certificate on the annexed statement of the Company for the period from January 1, 2019 to December 31, 2019 as required under the Privately Placed Debt Securities' Listing Regulations issued by the Securities and Exchange Commission of Pakistan (the Regulations).

Scope of Certificate

Our scope is to provide certificate regarding the maintenance of one hundred and twenty five percent (125%) security cover during the period from January 1, 2019 to December 31, 2019 in respect of the following secured sukuk certificates (including margin) issued by the Company:

- Islamic Sukuk Certificates – I amounting to Rs 5,416 million; and
- Islamic Sukuk Certificates – II amounting to Rs 6,486 million.

Management's Responsibility

It is the management's responsibility to prepare the statement for maintenance of 125% security cover during the period from January 1, 2019 to December 31, 2019 in respect of the Islamic Sukuk Certificates – I & II in compliance with the Regulations.

Auditor's Responsibility

Our responsibility is to certify the compliance with the requirements of the Regulations in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- (i) Traced the daily book values of the Islamic Sukuk Certificates – I & II issued by the Company which remained outstanding during the period from January 1, 2019 to December 31, 2019 from the books of account of the Company;
- (ii) Traced daily market values of the underlying listed secured assets (i.e. ordinary shares of Engro Corporation Limited) from the market data maintained on the website of the Pakistan Stock Exchange during the period January 1, 2019 to December 31, 2019; and

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- (iii) Compared the values determined as a result of procedures stated in (i) and (ii) above, to ensure if the amount of the secured assets remained in excess of 125% of the outstanding principal amount of Secured Islamic Certificates I & II on a daily basis.

Certificate

Based on procedures mentioned above, we are issuing this certificate regarding the maintenance of one hundred and twenty five percent (125%) security cover during the period January 1, 2019 to December 31, 2019 in respect of the Islamic Sukuk Certificates – I & II issued by the Company.

Restriction on use and distribution

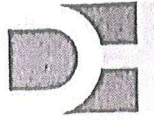
This certificate is being issued in relation to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the annexed statement.

The annexed statement has been initialled by us for identification purpose only.

Yours truly

A handwritten signature in blue ink, appearing to read 'A.F. Ferguson & Co.', with a stylized flourish at the end.


encls



**DAWOOD HERCULES CORPORATION LIMITED
MAINTENANCE OF SECURITY COVER IN RESPECT
OF ISLAMIC SUKUK CERTIFICATES – I & II
DURING THE PERIOD FROM JANUARY 1, 2019 TO DECEMBER 31, 2019**

We hereby confirm maintenance of one hundred and twenty five percent (125%) security cover during the period from January 1, 2019 to December 31, 2019 in respect of the Islamic Sukuk Certificates I & II amounting to Rs 5,416 million and Rs 6,486 million (including margin) issued by the Company in compliance with the requirements of the Privately Placed Debt Securities' Listing Regulation issued by the Securities and Exchange Commission of Pakistan. The relevant details are as follows:

	Rupees in million
Maximum book value Islamic Sukuk Certificates – I issued by the Company amounting to Rs 5,200 million remained outstanding during the period January 1, 2019 to December 31, 2019.	5,416
Maximum book value Islamic Sukuk Certificates – II issued by the Company amounting to Rs 6,000 million remained outstanding during the period January 1, 2019 to December 31, 2019.	6,486
	<u>11,902</u>
125% of the aggregate book value	<u>14,878</u>
Minimum aggregate market value of ordinary shares of Engro Corporation Limited (i.e. listed secured assets) pledged against above mentioned Sukuk Certificates I & II during the period January 1, 2019 to December 31, 2019	<u>17,574</u>


Asim H. Akhund
Company Secretary

Date : April 10, 2020



Dawood Hercules Corporation Limited