



The General Manager
Pakistan Stock Exchange
Stock Exchange Building
Karachi

January 28, 2021

Subject: Right Issue of Engro Polymer & Chemicals Limited – Quarterly progress report on implementation of PVC expansion/VCM debottlenecking for the quarter ended December 31, 2020

Dear Sir,

This is further to Engro Polymer & Chemical Limited’s (the “**Company**”) announcement of Right Shares issuance on 18th May 2018 to fund the Company’s PVC expansion/VCM debottlenecking project. In compliance with Regulation 10(2) of the Companies (Further Issue of Capital) Regulations, 2020 and clause 24 of Annexure I of the PSX letter no PSX/C-297-C-2424 dated 21st May 2018, we are pleased to present the update of our project as of 31st December 2020:

Despite the challenges posed by the pandemic, the progress at PVC has been satisfactory. We are pleased to inform that the PVC plant has attained Mechanical Completion. We are now in the commissioning phase and on target to attain COD as of end Q1 2021.

On the VCM debottlenecking front, construction work remained in progress but has experienced some hindrance due to shipment postponement and minor manpower mobilization issues on part of the EPC contractor. There is a distinct possibility that Mechanical completion will see some delay and COD will spill over to early Q2 2021.

Additionally, please find below an approximate schedule of our right issue’s component-wise utilization which is based on our best estimate:

Expenditure Heads	Amount in PKR Million	Percentage
PVC III equipment	2,800	52%
Licensing & engineering	1,000	19%
PVC III construction	400	7%
VCM DBM equipment	850	16%
VCM Construction	100	2%
Duties, taxes, salaries, etc	250	5%
Total	5,400	100%

We will update the Exchange accordingly as required under Regulation 10(2) of the Companies (Further Issue of Capital) Regulations 2020.

Best Regards

Khawaja Haider Abbas
Company Secretary

Cc: Securities & Exchange Commission of Pakistan