



May 25, 2021

Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road  
Karachi.  
(hereinafter referred to as “PSX”)

**Attention: Mr. Hafiz Maqsood Munshi, Manager, Companies & Securities Compliance – RAD**  
**Reference: PSX/ Gen- 890 dated May 20, 2021**

Dear Mr. Munshi,

I refer to your aforementioned letter, wherein you have raised certain questions regarding a recent press release published in relation to the PDH-PP project that Engro Corporation Limited (“ECL” or the “Company”) is considering setting up, and for which purpose, we have already informed the PSX on April 09, 2021 (disclosure of material information is attached for reference). Please note that prior to this disclosure, we had made an earlier disclosure in 2019, whereby we had informed the shareholders of the Company via the PSX of the Company’s intent to explore the petrochemical space. Hence, we are extremely cognizant of our obligation to make timely disclosures and disseminate price-sensitive information to our shareholders.

With regard to the queries you have raised in your above-referred to letter, kindly note that selection of a technology partner (in Honeywell and Grace) is part and parcel of the FEED Study, for which the Board of Directors of the Company (the “Board”) has approved USD 31.4 million (or the equivalent in PKR) as already announced in the April 9<sup>th</sup> disclosure. This approved amount is only for the purpose of conducting the FEED Study (which includes engineering, design and technical studies, including the technology from Honeywell and Grace) and not the project cost.

Once the FEED study has been completed, the results of the study will inform the Board’s decision to continue (or discontinue) with the project as well as the most feasible project size. Generally, such projects are in the vicinity of USD billion plus, however, this will be a decision which will be taken by the Board, and then disseminated to the PSX.

We hope the above explanation clarifies your queries. We remain,

Yours sincerely,

A handwritten signature in black ink, appearing to read "Shomaila Loan", written over a white background.

**Shomaila Loan**  
Company Secretary

Enclosed – as stated above