

August 10, 2021

The General Manager  
Pakistan Stock Exchange  
Stock Exchange Building  
Karachi

**Subject: Preference Shares Issue of Engro Polymer & Chemicals Limited – Half yearly progress report on implementation of PVC expansion/VCM debottlenecking for the half-ended June 30, 2021**

Dear Sir,

This is in reference to your letter C-297-C-1412 dated 15<sup>th</sup> July 2021 and Engro Polymer & Chemical Limited's (the "**Company**") issuance of Preference Shares on 18<sup>th</sup> December 2020 to fund the Company's PVC expansion/VCM debottlenecking project. In compliance with Regulation 16(ii) of the Public Offering Regulations, 2017, we are pleased to present the update of our project as of 30<sup>th</sup> June 2021:

Despite the challenges posed by the pandemic, the PVC expansion project has attained Commercial Operations as of March 1<sup>st</sup>, 2021.

Whereas on the VCM debottlenecking front, the Commercial Operation of the new capacity has commenced on June 25<sup>th</sup>, 2021.

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

Expenditure Heads	Amount in PKR Million	Percentage
PVC III equipment	100	3%
PVC III construction	250	8%
VCM DBM equipment	650	22%
VCM Construction	750	25%
Duties, taxes, salaries, etc.	150	5%
Other Expenses (IDC, manpower, etc.)	1,100	37%
<b>Total</b>	<b>3,000</b>	<b>100%</b>

Best Regards



Khawaja Haider Abbas  
Company Secretary

Cc: Securities & Exchange Commission of Pakistan