



engro polymer & chemicals

December 28, 2017

The General Manager,
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Karachi.
Fax: (021) 111-573-329

MATERIAL INFORMATION

Dear Sir,

In accordance with Section 96 and 131 of Securities Act, 2015 and clause 5.19.13(c) of the Rule Book of Pakistan Stock Exchange Limited, we hereby convey the following information:

The Board of Directors of Engro Polymer and Chemicals Limited (“the Company”) in its meeting held on December 28, 2017 has approved CAPEX of approximately **Rs 10.3 Billion**, as follows:

1. Addition of new PVC Plant of 100,000 MT (taking total capacity to 295,000 MT per annum) & VCM Plant debottlenecking of 50,000 MT per annum, with target completion in Q3 of 2020. The CAPEX is approximately Rs. 7.6 billion, which is intended to be funded through issuance of right shares of approximately Rs. 5.4 billion and remaining Rs. 2.2 billion through debt.
2. Other CAPEX of Rs. 2.7 billion, funded through internally generated cash and debt, which include:
 - a. New product line by adding Caustic Flaker of 20,000 MT per annum. CAPEX of the project is approximately Rs 0.34 billion with target completion in Q4 of 2018;
 - b. Debottlenecking of Sodium Hypochlorite & Hydrochloric Acid Plants for local/export markets. CAPEX of the project is approximately Rs 0.15 billion with target completion in Q3 of 2018;
 - c. Membrane replacement of existing Caustic Soda Plant to enhance efficiency and production. CAPEX of the project is approximately Rs 0.6 billion with target completion in Q3 of 2018;
 - d. Upgradation of Gas Turbines to enhance reliability & efficiency of Power Plant. CAPEX of the project is approximately Rs 0.22 billion with target completion in Q3 of 2018;
 - e. CAPEX of approximately Rs 1.39 billion has been allocated for other efficiency & reliability projects. All such projects will be completed within 2018.

You may please inform the members of the Exchange accordingly.

Very truly yours,

Shazeb Siddiki
Company Secretary