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Media Release – For Immediate Release

EnGro Inks MOU for RMB160 million JV with Hebei Iron & Steel to capture Chinese inland market

-  Will boost the Group's total annual GGBS production capacity by 57% to 6.6 million tones
-  JV is the result of the Group's established relationships with major steel mills in China

Singapore, 6 April 2009 – EnGro Corporation Limited (“EnGro”, “昂国企业”, or the “Group”), one of Asia’s largest producers of eco-friendly specialty cement [also known as Ground Granulated Blastfurnace Slag (“GGBS”)], has further strengthened its foothold on green business within China with the signing of a Memorandum of Understanding (“MOU”) to establish a Joint Venture (“JV”) with Hebei Iron & Steel Group Company (“HBIS” or “河北钢铁集团”) for the building of a GGBS manufacturing plant.

The JV plant will eventually boast an annual production capacity of 2.4 million tones and when ready, the Group’s total annual production capacity will be pushed toward the 6.6 million tones mark. Construction of the plant will take place in two phases, with Phase 1 having two production lines, each with a capacity of 600,000 tones per annum, set to be completed by 2010. The Group will commence Phase 2 upon the first two production lines having clearly established a healthy foundation for its market.

HBIS is primarily engaged in the development, manufacture and sale of iron and steel products. It is today China's largest steel enterprise with an annual production capacity of 31.6 million tones. It was formed when the government of Hebei province state-controlled Tangsteel Group (“唐山钢铁集团”) consisting of TangShan Steel, Chengde Steel, Wuyang Steel and Xuanhua Steel further amalgamated with Handan Iron & Steel Group Company (“邯钢集团” or “邯钢集团”).



“Our expertise in process engineering, strict quality control standards for GGBS and experience gained from similar projects with TangGang, JiGang, and HuaiGang, has built up the necessary confidence in our abilities to handle such a major project. The signing of this landmark MOU will allow the Group to further complement the strong presence and partnerships we have forged through the years. It symbolizes a great confidence which our 7-year partner has over the partnership.”

- Mr Tan Cheng Gay, Chairman and CEO

Under the proposed JV, it is expected that EnGro will be investing RMB32 million and HBIS RMB48 million for Phase 1 of the manufacturing plant. EnGro will fund its equity contribution from internally generated funds, while the remaining RMB80 million will be secured through bank financing at the JV level. This is not expected to have a material impact on the net tangible assets and earnings per share of the Group in the current financial year.

“Inland China has been one of the regions we have been monitoring over the past few years. In light of the recent round of infrastructure centric stimulus packages announced by the Chinese Government recently, we felt it timely to bring our plans up to the next level.

By establishing a manufacturing foothold in Hebei province, we will be able to tap the growing construction needs of southern part of Hebei province and the northern parts of Henan province as well. This will open doors for the Group to partake in iconic projects which include projects linked to the high-speed railway era that China has entered into which will lasts for the next two decades. ”

- Mr Tan Cheng Gay, Chairman and CEO

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About EnGro Corporation Limited (“EnGro”)

EnGro has established itself as a leading specialty cement producer in Singapore. Since 2005, the Group has strengthened the supply-chain by leveraging on its GGBS joint venture production base in China coupled with its Pulau Damar Laut bulk-terminal cum logistics services undertaken by Top-Mix ready-mix concrete operations.

The extended supply chain allows EnGro to meet stringent requirement for specialty cement and high-performance concrete supply. With this integration, EnGro is able to undertake supply of voluminous quantity timely to prestigious mega projects. As the first local cement company granted the Singapore Green Label for its eco-friendly VCEM brand of GGBS products, EnGro is well-positioned to contribute to the growing green building needs of the regional construction industry.

EnGro has built 2 core businesses, namely the specialty cement and the specialty polymer. Operationally, it is driven by these 2 growth engines supplemented by evergreen venture capital (VC) investment activity in technology-driven businesses.

For more information, please refer to our corporate website www.engro-global.com.

About Hebei Iron & Steel Group Company ("HBIS")

HBIS was established on 30 June 2008, through the merger of HanGang with state-controlled Tangshan Iron & Steel and other steel companies located in Hebei province to form the country's largest steel enterprise. Headquartered in Shijiazuang, HBIS is primarily engaged in the development, manufacture and sale of iron and steel products. The new company plans to boost its production from its current level of about 30 million tons to 50 million tons by 2010.

For more information, please refer to their corporate website www.hebgjt.com

Issued for and on behalf of **EnGro Corporation Limited**.

By Financial PR Pte Ltd

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