



ENGRO CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
Co. Reg. No. 197302229H

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

1(a) CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

| | GROUP | | | | | |
|---|------------------|------------------|-------------|-------------------|-------------------|-------------|
| | 3Q2015 \$'000 | 3Q2014 \$'000 | Change % | YTD2015 \$'000 | YTD2014 \$'000 | Change % |
| Revenue | 40,850 | 41,790 | (2.2) | 137,462 | 130,594 | 5.3 |
| Changes in inventories of finished goods and work-in-progress | 3,884 | 1,272 | 205.3 | (287) | (1,962) | (85.4) |
| Raw materials | (35,279) | (32,085) | 10.0 | (107,084) | (94,014) | 13.9 |
| Gain/(Loss) on disposal of property, plant and equipment | 39 | (217) | n.m. | 116 | (186) | n.m. |
| Gain on disposal of investments | 45 | - | n.m. | 56 | 37 | 51.4 |
| Investment income | 1 | 36 | (97.2) | 107 | 461 | (76.8) |
| Interest income | 69 | 13 | 430.8 | 142 | 84 | 69.0 |
| Dividend income | 284 | 65 | 336.9 | 447 | 371 | 20.5 |
| Other income | 950 | 84 | 1,031.0 | 4,747 | 552 | 760.0 |
| Exchange gain | 1,181 | 369 | 220.1 | 1,177 | 131 | 798.5 |
| (Allowance for)/Reversal of doubtful debts and bad debts written off, net | - | (11) | n.m. | 32 | (93) | n.m. |
| Depreciation of property, plant and equipment | (1,136) | (982) | 15.7 | (3,635) | (2,596) | 40.0 |
| Amortisation of intangible assets | - | (7) | n.m. | - | (7) | n.m. |
| Gain on disposal of available-for-sale financial assets | - | - | n.m. | - | 5 | n.m. |
| Impairment losses on property, plant and equipment | (537) | - | n.m. | (1,540) | - | n.m. |
| Allowance for impairment on investments, net | (800) | (97) | 724.7 | (813) | (186) | 337.1 |
| Net change in fair value of financial assets held for trading | (648) | 455 | n.m. | (289) | 1,204 | n.m. |
| Staff costs | (4,278) | (3,764) | 13.7 | (12,964) | (11,320) | 14.5 |
| Rental expenses | (792) | (557) | 42.2 | (2,123) | (1,690) | 25.6 |
| Other expenses | (5,329) | (5,353) | (0.4) | (17,243) | (16,859) | 2.3 |
| Interest expenses | (106) | (3) | 3,433.3 | (319) | (8) | 3,887.5 |
| Share of (loss)/profit of associates and joint ventures, net of tax | (635) | 2,335 | n.m. | 543 | 5,688 | (90.5) |
| (Loss)/Profit before tax | (2,237) | 3,343 | n.m. | (1,468) | 10,206 | n.m. |
| Tax expense | (64) | (162) | (60.5) | (543) | (674) | (19.4) |
| (Loss)/Profit for the period | (2,301) | 3,181 | n.m. | (2,011) | 9,532 | n.m. |
| Attributable to: | | | | | | |
| Equity holders of the Company | (2,252) | 3,192 | n.m. | (1,921) | 9,565 | n.m. |
| Non-controlling interests | (49) | (11) | 345.5 | (90) | (33) | 172.7 |
| (Loss)/Profit for the period | (2,301) | 3,181 | n.m. | (2,011) | 9,532 | n.m. |

n.m. - not meaningful

1(b) **CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2015**

| | GROUP | | | | | |
|---|------------------|------------------|-------------|-------------------|-------------------|-------------|
| | 3Q2015 \$'000 | 3Q2014 \$'000 | Change % | YTD2015 \$'000 | YTD2014 \$'000 | Change % |
| (Loss)/Profit for the period | (2,301) | 3,181 | n.m. | (2,011) | 9,532 | n.m. |
| Other comprehensive income: | | | | | | |
| Items that are or maybe reclassified subsequently to profit or loss: | | | | | | |
| Foreign currency translation differences for foreign operations | 2,371 | (539) | n.m. | 2,591 | (1,650) | n.m. |
| Exchange differences on monetary items forming part of the net investment | 2,167 | 735 | 194.8 | 2,758 | 351 | 685.8 |
| Net change in fair value of available-for-sale financial assets transferred to profit or loss | 800 | 97 | 724.7 | 813 | 181 | 349.2 |
| Net change in fair value of available-for-sale financial assets | (203) | (2,275) | (91.1) | 1,069 | 1,564 | (31.6) |
| Other comprehensive income for the period, net of tax | 5,135 | (1,982) | n.m. | 7,231 | 446 | 1,521.3 |
| Total comprehensive income for the period | 2,834 | 1,199 | 136.4 | 5,220 | 9,978 | (47.7) |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 2,844 | 1,210 | 135.0 | 5,310 | 10,011 | (47.0) |
| Non-controlling interests | (10) | (11) | (9.1) | (90) | (33) | 172.7 |
| | 2,834 | 1,199 | 136.4 | 5,220 | 9,978 | (47.7) |

n.m. - not meaningful

1(c) **EARNINGS PER ORDINARY SHARE (EPS)**

| | GROUP | | GROUP | |
|---|-----------------|-----------------|------------------|------------------|
| | 3Q2015 Cents | 3Q2014 Cents | YTD2015 Cents | YTD2014 Cents |
| Earnings per ordinary shares (loss)/ profit attributable to equity holders of the Company: | | | | |
| (i) Based on weighted average number of ordinary shares in issue | (1.90) | 2.69 | (1.62) | 8.07 |
| (ii) On a fully diluted basis | (1.90) | 2.69 | (1.62) | 8.05 |

1(d) **BALANCE SHEETS**

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30 Sep 2015 | 31 Dec 2014 | 30 Sep 2015 | 31 Dec 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | |
| Property, plant and equipment | 15,839 | 18,845 | 2,508 | 2,379 |
| Subsidiaries | - | - | 50,590 | 50,450 |
| Intangible assets | 333 | 333 | - | - |
| Associates and joint ventures | 108,513 | 103,863 | 60,243 | 60,243 |
| Other investments | 24,536 | 21,034 | 1,217 | 1,275 |
| Other financial assets | 212 | 172 | 172 | 172 |
| Amount due from associates and a joint venture | 2,107 | 2,094 | - | - |
| Loan to a subsidiary | - | - | 2,149 | 2,073 |
| Non-current assets | 151,540 | 146,341 | 116,879 | 116,592 |
| Other investments | 35,288 | 33,980 | - | 18 |
| Inventories | 12,464 | 11,157 | 6,440 | 7,938 |
| Trade and other receivables | 49,980 | 40,444 | 74,305 | 59,456 |
| Loan to a subsidiary | - | - | 5,569 | 5,936 |
| Cash and cash equivalents | 23,822 | 36,940 | 10,886 | 16,751 |
| Current assets | 121,554 | 122,521 | 97,200 | 90,099 |
| TOTAL ASSETS | 273,094 | 268,862 | 214,079 | 206,691 |
| EQUITY | | | | |
| Share capital | 85,270 | 85,270 | 85,270 | 85,270 |
| Reserves | 144,431 | 142,728 | 99,252 | 98,109 |
| | 229,701 | 227,998 | 184,522 | 183,379 |
| Non-controlling interests | 89 | 133 | - | - |
| TOTAL EQUITY | 229,790 | 228,131 | 184,522 | 183,379 |
| LIABILITIES | | | | |
| Loans and borrowings | 7,758 | 8,935 | 177 | 116 |
| Deferred tax liabilities | 1,028 | 997 | - | - |
| Non-current liabilities | 8,786 | 9,932 | 177 | 116 |
| Loans and borrowings | 9,139 | 3,008 | 16,592 | 10,071 |
| Trade and other payables | 25,069 | 27,427 | 12,788 | 13,125 |
| Current tax liabilities | 310 | 364 | - | - |
| Current liabilities | 34,518 | 30,799 | 29,380 | 23,196 |
| TOTAL LIABILITIES | 43,304 | 40,731 | 29,557 | 23,312 |
| TOTAL EQUITY AND LIABILITIES | 273,094 | 268,862 | 214,079 | 206,691 |

ANALYSIS OF BALANCE SHEETS

Property, plant and equipment decreased by \$3.0 million due to provision for impairment on plant and machinery of \$1.5 million, depreciation charge of \$3.6 million and effect of movements in exchange rate of \$0.6 million, offset by additions of \$3.0 million.

Other investments increased by \$4.8 million due to additional investments and fair value gain.

Trade and other receivables increased by \$9.5 million due to \$6.8 million loan to an associate and higher amount owed by trade debtors.

Increase in loans and borrowings by \$5.0 million was pertaining to a short term loan.

1(e) **GROUP BORROWINGS**

| | As at 30 Sep 2015 \$'000 | As at 31 Dec 2014 \$'000 |
|--|--------------------------------|--------------------------------|
| Amount repayable in one year | | |
| Secured | 2,616 | 3,008 |
| Unsecured | 6,523 | - |
| | 9,139 | 3,008 |
| Amount repayable after one year | | |
| Secured | 7,758 | 8,935 |
| Unsecured | - | - |
| | 7,758 | 8,935 |
| Total | 16,897 | 11,943 |

Details of any collateral

The Group's banking facilities are secured by:

- a) fixed deposits amounting to \$0.5 million,
- b) the hire purchase facilities of the Group are secured by the Company and its subsidiaries' plant and machinery and motor vehicles.

1(f) **NET ASSET VALUE**

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|---------------------|---------------|-----------------------|---------------|
| | 3Q2015 | 3Q2014 | 3Q2015 | 3Q2014 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share at end of the financial period/year | 1.94 | 1.84 | 1.55 | 1.49 |

2 **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED**
30 SEPTEMBER 2015

| | GROUP | |
|---|----------------------|----------------------|
| | 3Q2015 | 3Q2014 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| (Loss)/Profit before tax | (2,237) | 3,343 |
| Adjustments for: | | |
| Allowance for doubtful receivables | - | 11 |
| Depreciation of property, plant and equipment | 1,136 | 982 |
| Amortisation of intangible asset | - | 7 |
| Dividend income | (284) | (65) |
| Impairment losses on property, plant and equipment | 537 | - |
| Allowance of impairment on investments, net | 800 | 97 |
| Interest expenses | 106 | 3 |
| Interest income | (69) | (13) |
| (Gain)/Loss on disposal of: | | |
| - investments | (45) | - |
| - property, plant and equipment | (39) | 217 |
| Net change in fair value of financial assets at fair value through profit or loss | 648 | (455) |
| Share of (loss)/profit of associates and joint ventures, net of tax | 635 | (2,335) |
| Operating profit before working capital changes | <u>1,188</u> | <u>1,792</u> |
| Changes in working capital: | | |
| Inventories | (6,812) | (1,704) |
| Trade and other payables | 1,258 | 5,255 |
| Trade and other receivables | 4,496 | 1,063 |
| Net cash generated from operating activities | <u>130</u> | <u>6,406</u> |
| Income tax paid | (150) | (114) |
| Net cash (used in)/generated from operating activities | <u>(20)</u> | <u>6,292</u> |
| Cash flows from investing activities | | |
| Distribution from other investments | 59 | 61 |
| Dividends received from: | | |
| - other investments | 284 | 65 |
| - associates and joint ventures | - | 2,226 |
| Interest received | 69 | 13 |
| Loan to a joint venture | (210) | - |
| Proceeds from disposal of: | | |
| - other investments | 2,893 | 865 |
| - property, plant and equipment | 41 | 27 |
| Purchase of other investments | (3,225) | (6,879) |
| Purchase of an intangible asset | - | (299) |
| Purchase of property, plant and equipment | (392) | (2,516) |
| Net cash used in investing activities | <u>(481)</u> | <u>(6,437)</u> |
| Cash flows from financing activities | | |
| Dividends paid by the Company | (2,967) | (5,934) |
| Interest paid | (106) | (3) |
| Repayment of finance lease liabilities | (763) | (763) |
| Proceeds from short term borrowing | 5,000 | - |
| Net cash generated from/(used in) financing activities | <u>1,164</u> | <u>(6,700)</u> |
| Net increase/(decrease) in cash and cash equivalents | 663 | (6,845) |
| Cash and cash equivalents at beginning of period | 23,242 | 37,732 |
| Effect of exchange rate fluctuations on cash held | (83) | 79 |
| Cash and cash equivalents at end of the period | <u>23,822</u> | <u>30,966</u> |

2 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (cont'd)

ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS

Compared to 3Q2014, net cash generated from operating activities in 3Q2015 was lower by \$6.3 million. This was due to increase in inventories in one of its business unit which changed business model from toll compounding to manufacturing. Movements in trade and other receivables was largely offset by those of the trade and other payables.

The Group's net cash used in investing activities of \$0.5 million in 3Q2015 was lower than that of \$6.4 million in 3Q2014 by \$6.0 million. This was attributable to lesser additional investments in financial assets and lower purchase of fixed asset during 3Q2015.

The Group's net cash generated from financing activities of \$1.2 million in 3Q2015 was due to proceeds from short term borrowings offset by dividends paid by the Company.

The cash and cash equivalents as at end of 3Q2015 was \$23.8 million, \$7.1 million lower than 3Q2014.

3 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

| | Share capital | Capital reserve | Reserve for own shares | Share option reserve | Foreign currency translation reserve | Fair value reserve | Accumulated profits | Total | Non-controlling interests | Total equity |
|---|---------------|-----------------|------------------------|----------------------|--------------------------------------|--------------------|---------------------|---------|---------------------------|--------------|
| | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 | SS'000 |
| Group | | | | | | | | | | |
| At 1 July 2014 | 85,270 | (21) | (20) | 168 | (6,266) | 11,308 | 132,991 | 223,430 | 151 | 223,581 |
| Total comprehensive income for the period | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 3,192 | 3,192 | (11) | 3,181 |
| Other comprehensive income | | | | | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | - | - | (539) | - | - | (539) | - | (539) |
| Exchange differences on monetary items forming part of the net investment in foreign operations | - | - | - | - | 735 | - | - | 735 | - | 735 |
| Net change in fair value of available-for-sale financial assets reclassified to profit or loss | - | - | - | - | - | 97 | - | 97 | - | 97 |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | - | (2,275) | - | (2,275) | - | (2,275) |
| Total other comprehensive income | - | - | - | - | 196 | (2,178) | - | (1,982) | - | (1,982) |
| Total comprehensive income for the period | - | - | - | - | 196 | (2,178) | 3,192 | 1,210 | (11) | 1,199 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Final one-tier dividend paid of 3 cents per share | - | - | - | - | - | - | (3,560) | (3,560) | - | (3,560) |
| Special one-tier dividend declared of 2 cents per share | - | - | - | - | - | - | (2,374) | (2,374) | - | (2,374) |
| Total transactions with owners | - | - | - | - | - | - | (5,934) | (5,934) | - | (5,934) |
| At 30 September 2014 | 85,270 | (21) | (20) | 168 | (6,070) | 9,130 | 130,249 | 218,706 | 140 | 218,846 |
| At 1 July 2015 | 85,270 | (21) | (20) | 168 | 1,436 | 9,410 | 134,175 | 230,418 | 99 | 230,517 |
| Total comprehensive income for the period | | | | | | | | | | |
| Loss for the period | - | - | - | - | - | - | (2,252) | (2,252) | (49) | (2,301) |
| Other comprehensive income | | | | | | | | | | |
| Foreign currency translation differences for foreign operations | - | - | - | - | 2,332 | - | - | 2,332 | 39 | 2,371 |
| Exchange differences on monetary items forming part of the net investment in foreign operations | - | - | - | - | 2,167 | - | - | 2,167 | - | 2,167 |
| Net change in fair value of available-for-sale financial assets reclassified to profit or loss | - | - | - | - | - | 800 | - | 800 | - | 800 |
| Net change in fair value of available-for-sale financial assets | - | - | - | - | - | (203) | - | (203) | - | (203) |
| Total other comprehensive income | - | - | - | - | 4,499 | 597 | - | 5,096 | 39 | 5,135 |
| Total comprehensive income for the period | - | - | - | - | 4,499 | 597 | (2,252) | 2,844 | (10) | 2,834 |
| Transactions with owners, recognised directly in equity | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | |
| Final one-tier dividend declared of 3 cents per share | - | - | - | - | - | - | (3,561) | (3,561) | - | (3,561) |
| Total transactions with owners | - | - | - | - | - | - | (3,561) | (3,561) | - | (3,561) |
| At 30 Sep 2015 | 85,270 | (21) | (20) | 168 | 5,935 | 10,007 | 128,362 | 229,701 | 89 | 229,790 |

3 **STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015** (cont'd)

| | Share capital S\$'000 | Capital reserve S\$'000 | Reserve for own shares S\$'000 | Share option reserve S\$'000 | Accumulated profits S\$'000 | Total equity S\$'000 |
|--|--------------------------|----------------------------|-----------------------------------|---------------------------------|--------------------------------|-------------------------|
| Company | | | | | | |
| At 1 July 2014 | 85,270 | (21) | (20) | 168 | 93,461 | 178,858 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 3,404 | 3,404 |
| Other comprehensive income | | | | | | |
| Total other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 3,404 | 3,404 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Contributions by and distributions to owners | | | | | | |
| Final one-tier dividend declared of 3 cents per share | - | - | - | - | (3,560) | (3,560) |
| Special one-tier dividend declared of 2 cents per share | - | - | - | - | (2,374) | (2,374) |
| Total transactions with owners | - | - | - | - | (5,934) | (5,934) |
| At 30 September 2014 | 85,270 | (21) | (20) | 168 | 90,931 | 176,328 |
| At 1 July 2015 | 85,270 | (21) | (20) | 166 | 98,865 | 184,260 |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 3,823 | 3,823 |
| Other comprehensive income | | | | | | |
| Total other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 3,823 | 3,823 |
| Transactions with owners, recognised directly in equity | | | | | | |
| Contributions by and distributions to owners | | | | | | |
| Final one-tier dividend declared of 3 cents per share | - | - | - | - | (3,561) | (3,561) |
| Total transactions with owners | - | - | - | - | (3,561) | (3,561) |
| At 30 September 2015 | 85,270 | (21) | (20) | 166 | 99,127 | 184,522 |

3(a) CHANGES IN COMPANY'S SHARE CAPITAL

Changes in share capital since the end of the previous period reported on:

| | <u>Number of Shares</u> |
|--|-------------------------|
| Issued share capital of the Company (excluding treasury shares) as at 31 December 2014 | <u>118,683,500</u> |
| Issued share capital of the Company (excluding treasury shares) as at 30 September 2015 | <u>118,683,500</u> |

There were 19,000 treasury shares held by the Company as at 30 September 2015 (30 September 2014: 19,000) which has been excluded in the number of issued ordinary shares stated above.

As at 30 September 2015, options to subscribe to 1,232,500 ordinary shares remained unexercised (30 September 2014: 1,282,500 ordinary shares).

3(b) TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES.

| | <u>As at 30 Sep 2015</u> | <u>As at 31 Dec 2014</u> |
|---|------------------------------|------------------------------|
| Total number of issued shares excluding treasury shares | <u>118,683,500</u> | <u>118,683,500</u> |

3(c) TREASURY SHARES

| <u>Group and Company</u> | <u>Number of shares for the quarter ended</u> | |
|---|---|--------------------|
| | <u>30 Sep 2015</u> | <u>30 Sep 2014</u> |
| As at beginning of the quarter | 19,000 | 324,000 |
| Treasury shares transferred on exercise of the share option | - | <u>(305,000)</u> |
| As at end of the quarter | <u>19,000</u> | <u>19,000</u> |

4 AUDIT

These figures have not been audited or reviewed by the Company's auditors.

5 AUDITORS' REPORT

Not applicable.

6 ACCOUNTING POLICIES

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect on or after 1 January 2015, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2014.

7 CHANGES IN ACCOUNTING POLICIES

There are no changes to the accounting policies.

8 REVIEW OF GROUP PERFORMANCE

Revenue for the Group declined by 2.2% from \$41.8 million in 3Q2014 to \$40.9 million in 3Q2015, due to slowdown in construction activities and margin squeeze in Singapore and Johor, Malaysia.

Over supply in China's property market and sluggish construction activities resulted in losses in the joint venture companies as compared to profit in same quarter last year.

During 3Q2015, the Group also incurred unrealised losses on its investment segment due to impairment and decrease in fair value of its financial assets.

As a result, the Group reported a loss of \$2.3 million in 3Q2015 against profit of \$3.2 million in 3Q2014.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Actual results were in line with profit guidance made on 27 October 2015.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on the advance estimates released by Ministry of Trade and Industry, the Singapore economy grew by 1.4% in the third quarter of 2015, easing from the 2.0% growth in the previous quarter. The construction sector contracted by 0.8%, on a quarter-on-quarter seasonally-adjusted annualised basis.

The continuous decline in private sector construction activities in Singapore has resulted in intensive price competition for our business.

In China the economy recorded its worst performance since the global financial crisis with GDP growth at 6.9% in the third quarter of 2015. The slowdown has led to sluggish construction activities which has adversely affected the financial performance of the Group's joint venture companies.

With the uncertain economic outlook in both Singapore and China, the Group expects to report a loss for 2015.

11 DIVIDENDS

(a) Current financial period reported on
None

(b) Corresponding period of the immediately preceding financial year
None

(c) Date payable
Not applicable

(d) Books closure date
Not applicable

12 If no dividend has been declared/ recommended, a statement to that effect

No dividend has been declared/ recommended for the current financial period.

13 INTERESTED PERSON TRANSACTIONS

The Company does not have a shareholders' mandate for interested person transactions.

There is no interested person transactions conducted during 3rd quarter of financial year 2015.

14 UNDERTAKINGS PURSUANT TO RULE 720 (1)

The Company confirms that the undertakings under Rule 720(1) of the SGX-ST Listing Manual have been obtained from all its directors and executive officers.

CONFIRMATION BY THE BOARD

We, TAN CHENG GAY and TAN YOK KOON being two of the Directors of EnGro Corporation Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

TAN CHENG GAY
Chairman and CEO

TAN YOK KOON
Director

BY ORDER OF THE BOARD

Joanna Lim
Company Secretary
9 November 2015