



NEWS RELEASE

Interest in a Newly Incorporated Company to Develop a Residential Site, The Baywater Collection, Sentosa Cove

16 January 2006

The Board of directors of EnGro Corporation Limited (the "Company") is pleased to announce that the Company will take up 10% of the issued and paid-up capital in a newly incorporated company, Ho Bee Cove Pte Ltd ("HBC"). Ho Bee Investment Ltd will hold the balance 90% in HBC.

HBC was formed to undertake a development project that was officially awarded to Ho Bee Investment Ltd. The project involved three parcels of land located at Sentosa Cove (collectively known as "The Baywater Collection") which was put up for sale by Sentosa Development Corporation through a public tender.

The subject site with a land tenure of 99 years has a total area of 276,467 sq ft. It is designated for a condominium development with a gross permissible plot ratio of 1.8419. Total consideration for the site is S\$325,200,000/- or S\$639 psf per plot ratio. A total of 262 dwelling units and 41 berths are allowed for the development.

The land and development cost of this project will be financed by the Company's internal funds and bank borrowings and is not expected to have any material impact on the consolidated earnings and net tangible assets per share of the Company for the current financial year ending 31 December 2006.

Save for Messrs Chua Thian Poh and Tan Keng Boon who are directors of both Ho Bee Investment Ltd and the Company, none of the other directors or controlling shareholders of the Company has any direct or indirect interests in the above transaction.

- Ends -



About EnGro

Incorporated in 1973, EnGro is a manufacturing firm headquartered in Singapore with two core businesses, namely the specialty cement and the specialty polymer. The two core businesses are supplemented by evergreen venture capital (VC) investment activity in technology-driven businesses.

Further information on EnGro, please visit www.engro-global.com.

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