



NEWS RELEASE

Investment in Ho Bee Cove Pte Ltd

13 April 2006

Further to the Company's announcements on 16 January 2006 ("16 January Announcement") and 6 February 2006, the Board wishes to confirm that the Company's Audit Committee, having considered the Company's equity investment in Ho Bee Cove Pte Ltd ("HBC"), its obligations to provide financing pro rata to its shareholding percentage and the potential returns to the Company arising from the investment, is satisfied that the risks and rewards of the newly formed joint venture, are in proportion to the equity investment of each of the joint venture partners and that the terms of the joint venture (which have been negotiated on arm's length terms) are not prejudicial to the interests of the Company and its minority shareholders.

As mentioned in the 16 January Announcement, the Company holds a 10% equity interest in HBC with the remaining 90% held by Ho Bee Investment Ltd. As Mr Chua Thian Poh is a controlling shareholder of both the Company and Ho Bee Investment Ltd, the investment is considered an interested party transaction under Chapter 9 of the Listing Manual.

Since the injection of the Company's share of capital of S\$100,000 into Ho Bee Cove Pte Ltd in February 2006, the Company has provided its equitable share of the shareholder loan of S\$10.91 million to HBC on arm's length terms. The purpose of the loan is to partial finance the acquisition of the residential development site, The Baywater Collection at Sentosa Cove.

- 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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