



NEWS RELEASE

Opening Ceremony of Jiangsu Huailong Materials Co. Ltd on 28 July 2006

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EnGro and Huai'an Steel hand-in-hand, transforms slag waste into gem

"We want mountains of gold and silver, as well as green mountains and clear water", Jiangsu province Huai'an City Secretary Mr Ding Jieming mentioned these words during a brief interview.

Along with economic progression, China government is putting more emphasis on environmental preservation as well as sustainable developments by encouraging investments that can benefit the environment. The joint venture company, Jiangsu Huailong Material Co. Ltd ("Huailong"), is a joint venture between EnGro Corporation Limited ("EnGro") and Jiangsu Huaigang Co. Ltd ("HuaiGang"), operates an eco-friendly type of business.

Huailong was incorporated in October 2005, located in Northern Jiangsu province near Huai'an city, with investment of RMB100 million (S\$20 million), of which RMB88 million (S\$17.6 million) is the registered paid-up capital. HuaiGang invested RMB52.8 million and holds a 60% share in Huailong while EnGro invested RMB32.5 million and holds a 40% share. Huailong's commissioned production capacity of 600,000 tons of Ground Granulated Blastfurnace Slag ("GGBS") a year, represents Singapore entrepreneurs' pioneer investment in Huai'an City as well as the largest eco-friendly type of investment.



Based on calculations, once completed the plant is able to produce 600,000 tons of GGBS annually, contributing a total revenue of RMB80 million annually.

Transforming Waste into Gem, With Government's Support

GGBS can replace a portion of cement and when used in blending concrete, produces high performance concrete. In addition, GGBS when blended with Ordinary Portland Cement ("OPC") can produce high quality blended cement. Huai'an City Secretary Mr Ding Jieming commented: "This project transforms waste into gem, avoid wasting resources, good for the country, the people and the project".

The project falls under the waste recycling and eco-friendly type of project encouraged by China. It is strongly supported by the Huai'an City local government, Huai'an City's Investment Promotion Bureau, and International Enterprise Singapore. According to EnGro's President of China Operations Mr Tan Yok Koon, it took only 12 months to complete the plant since talks began with HuaiGang, setting an industry record for the fastest GGBS plant construction.

HuaiGang is one of the large steel players in Jiangsu province. In 2004, HuaiGang was ranked 46th out of 50 other metallurgy industry players in China. In terms of specialty steel products, HuaiGang is ranked within top 5 in China, and ranked 15th in the world. HuaiGang has two blast furnace that produces a total of 6 million tons of raw slag annually. When the 3rd blast furnace is commissioned in 2006, the total raw slag produced would touch 10 million tons annually.

EnGro, a Singaporean company with over 20 years of slag cement production and application experience, is one of South East Asia's pioneer producer of high grade GGBS as well as an expert in high mixture of GGBS blended cement. So far, apart from HuaiGang, EnGro has also partnered with other steel companies such as Hebei's Tangshan Steel Group, Shandong's Jinan Steel Group, to set up a total of three GGBS production lines (including Huailong), each with an annual production capacity of 600,000 tons. Three more GGBS production lines in various stages of construction are expected to commission in 2007.

Both parties are working very well together. Huai'an is also the hometown of ex-premier Zhou Enlai. In order to express gratitude to Huai'an's local government, Mr Tan Yok Koon represented his family's company – Afro-Asia Shipping Co (Pte) Ltd – to present a



watercolour painting titled “Grandpa Zhou, you’re tired” to the Huai’an City Zhou Enlai Memorial.

It was said that the painting has significant historical meaning, was commissioned by a Liaoning artist Ling Zhenyu in the last century’s 70’s era. The artist submitted the painting in a arts competition to commemorate the 30th anniversary of forming the People’s Republic of China, and won first prize. At the same time, the painting also won third prize in the 3rd National Painting Competition.

Revitalizing Northern Jiangsu, Priority to the Environment

In recent years, Jiangsu province government has been strongly advocating the development of Northern Jiangsu, emphasizing industrialization as a key driver to revitalize Northern Jiangsu. This was done by way of introducing various types of preferential policies to actively attract foreign investments to Central Jiangsu and Northern Jiangsu, as well as by way of encouraging renewable energy and eco-friendly types of industries.

Singaporean companies are beginning to recognise Northern Jiangsu as a suitable investment location with the suitable resources, environment, and cost competitive work force.

Singapore’s Commercial Consul based in Shanghai, Mr Ho Chee Hin commented that Singapore companies invested a total of US\$1.75 billion in 2005, also representing an increase of 252 projects. Up till end 2005, Singaporean companies invested a total of US\$15.7 billion in Jiangsu province with the number of projects totalling 2,036. In 2005, import and exports between Jiangsu province and Singapore amounted to US\$5.81 billion, representing an increase of 35.8%.

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The original article in Chinese was published in a Singapore Chinese newspaper Lianhe Zaobao on 5 August 2006



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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