



NEWS RELEASE

EnGro Distributes Bonus Dividend and Rights Issue

29 June 2007

Bonus Dividend and Right Issue exercise

The Board announced on 29 June 2007 that the Company would declare and pay an interim cash dividend for the financial year ending 31 December 2007 of S\$0.1829 less tax of 18% (or S\$0.15 net) per ordinary share of the Company and carry out a renounceable non-underwritten right issue of 38,617,500 Shares of the Company at an issued price of S\$0.30 for each Right Share, on the basis of one Right Share for every two Shares. The shareholders have an option to elect to utilize the net bonus dividend to subscribe for the Right Shares.

Purpose of Bonus Dividend

The purpose of the Bonus Dividend is to reward shareholders. The Bonus Dividend will come with tax credits available under section 44 of the Income Tax Act (Cap.134) of Singapore, which will be passed on to the shareholders. At the same time, the Bonus dividend will provide shareholders with an option to re-invest their net bonus dividend by subscribing for the Rights Shares

Purpose of Right Issue

The Right Issue would strengthen the capital base of the Company following the payment of the net bonus dividend. The bonus dividend payout, undertaken at the same time as the Right issue will in effect transform a portion of the Company's retained earnings into permanent share capital.

Results of Right Issue

Valid acceptance and excess applications received amounted to 37,563,028 and 26,333,487 Right Shares respectively. Valid acceptance and excess applications in total amounted to 63,896,515 Right Shares, representing approximately 165.5% of the total number of Rights Shares under the Right Issue.

Listing and Quotation for Rights Shares

The 38,617,500 Rights Shares were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited on 24 September 2007.

- 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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