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Media Release – For Immediate Release

EnGro starts the year strong on continued growth momentum of eco-friendly specialty cement products

- Returns to profitability with S$0.9 million net profit attributable to shareholders in 1Q09, after posting a loss of S$1.5 million in 4Q08
- Share of profit from associates more than doubles to S$1.2 million, buoyed by contribution from property development joint venture
- Ends the quarter with healthy financial position of S$25.4 million in cash
- Opportunities aplenty with S$1 billion Government led initiative to green Singapore

Singapore, 14 May 2009 – EnGro Corporation Limited ("EnGro", "昂国企业", or the "Group"), one of Asia's largest producers of eco-friendly specialty cement [also known as Ground Granulated Blastfurnace Slag ("GGBS")], has announced its results for the 3 months ended 31 March 2009 ("1Q09").

Financial Highlights

S$'000	1Q09	1Q08	% Change
Revenue	28,230	28,997	(2.6)
Gross Profit	5,637	6,423	(12.2)
Share of profit of associates (net of tax)	1,184	497	138.2
Profit Attributable to shareholders	917	(578)	258.7
Diluted EPS (cents)	0.78	(0.49)	259.2

Financial and Operations Overview

The Group managed to maintain the growth momentum of its Singapore operations, comprising cement and ready-mixed concrete (“RMC”), despite the difficult operating environment experienced in 1Q09. This was able to partly offset the lower sales contribution from the specialty polymer business. As a result, revenue for the quarter dipped slightly by 2.6% to S$28.2 million in 1Q09.

A combination of higher material costs in the Group’s Singapore cement operations and lower specialty polymer sales, culminated in a S$0.8 million decline in gross profit to S$5.6 million. This was cushioned by higher contributions from the RMC business in Singapore and building materials business in China, which continued to benefit from government measures to stimulate the construction sector.

Bolstered by an improved contribution from its property development joint venture, the Group’s share of profit from associates in 1Q09 more than doubled to S$1.2 million. Due to the seasonally weaker first quarter, contributions from the Group’s GGBS joint ventures remained on par with 1Q08.

Overall, the Group was able to turn the net loss of S$1.5 million of 4Q08 into a net profit of S$0.92 million in 1Q09.

The Group’s cash and cash equivalents stood at a healthy level of S$25.4 million as at 31 March 2009, with a net cash of S$12.1 million.

Next phase of growth for green building in Singapore

Following the success of its 1st Green Building Masterplan in 2006, the Building and Construction Authority (“BCA”) has raised the bar further with its 2nd Masterplan to “green” Singapore. With a target of at least 80% of buildings in Singapore hitting Green Mark certification by 2030, the new roadmap is set to revolutionise the local building scene, as Singapore becomes a live test-bed of sustainable development. The sweeping S$1 billion Masterplan will cover new and existing buildings and provide incentives to owners that jumpstart their ‘greening’ efforts. For example, private developers who achieve a Platinum or GoldPlus rating on the Green Mark scale will be granted bonus ground floor area. In addition, stricter standards have been imposed for public sector buildings and new developerments Singapore’s new generation of sustainable high-density districts in Marina Bay, Downtown Core, Kallang Riverside, Jurong Lake District and Paya Lebar will have to achieve higher Green Mark ratings. As one of only a few cement players accredited with the Singapore Green Label, developers can use EnGro's products to satisfy relevant conditions of the BCA Green Mark green building rating system.

Exporting the green model to the world

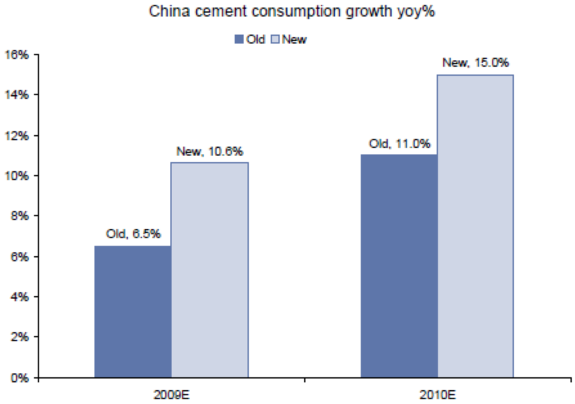
A significant motivation for the push by the Government to "green" Singapore is to showcase the nation as a hub for Green Building Innovation in the region. By creating greater international awareness of Singapore's iconic Green Mark projects, there is an opportunity to export Singapore's model for sustainable development outside its shores. Testament to this is the joint collaboration between Singapore and China to build eco-cities in Tianjin and Nanjing. With developments in the cities having to adopt the Green Mark standards set in Singapore, there is greater room for Singapore players to market their green products. EnGro's specialty cement production facilities strategically located near these projects places the Group in an ideal position to benefit from these iconic projects.

More opportunities for growth in China

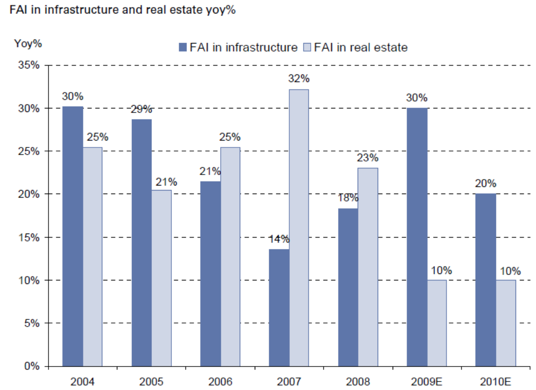
EnGro's strategic locale along the fast-growing Bohai region of China also means that it has a front row seat to China's High Speed Railway Development. Already contracted as one of the key suppliers of specialty cement to the mega-scale US$21 billion Beijing-Shanghai High-Speed Railway project, the Group stands to benefit from greater railway spending announced under the revised Medium-and Long-term Railway Network Plan 2004-2020. With 120,000 km of rail lines to be built by 2020 at the cost of RMB5 trillion, demand for cement products including specialty cement is set to rise in the coming few years.

In addition to the deluge of railway spending by the Chinese Government, a significant portion of the RMB4 trillion stimulus package has been earmarked for infrastructure investments. Indeed RMB700 million alone has been allotted for airport and expressway developments in China. To further capitalize on these opportunities and shore up its specialty cement business in China, the Group recently signed a joint venture Memorandum of Understanding with Hebei Iron and Steel group in April to set up a GGBS plant at Handan city, Hebei, PRC. This will enable the Group to strengthen its position as one of the top specialty cement players in China, as well as gain access to the rapidly urbanizing Chinese inland market.

Cement consumption increasing in line with infrastructure spending



Source: Goldman Sachs Research



Source: CEIC, Goldman Sachs Research

"The formative years that we have invested in ensuring our products meet the highest quality standards and actively sourcing for like minded partners to work with, have together laid the foundation for us to capitalize on the growing demand for eco-friendly building materials in both China and Singapore. With our VCEM brand of specialty cement gaining reputation, we are seeing a pick up in enquires from new and existing customers for our products."

- Mr Tan Cheng Gay, Chairman and CEO

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About EnGro Corporation Limited ("EnGro")

EnGro has established itself as a leading specialty cement producer in Singapore. Since 2005, the Group has strengthened the supply-chain by leveraging on its GGBS joint venture production base in China coupled with its Pulau Damar Laut bulk-terminal cum logistics services undertaken by Top-Mix ready-mix concrete operations.

The extended supply chain allows EnGro to meet stringent requirement for specialty cement and high-performance concrete supply. With this integration, EnGro is able to undertake supply of voluminous quantity timely to prestigious mega projects. As the first local cement company granted the Singapore Green Label for its eco-friendly VCEM brand of GGBS products, EnGro is well-positioned to contribute to the growing green building needs of the regional construction industry.

EnGro has built 2 core businesses, namely the specialty cement and the specialty polymer. Operationally, it is driven by these 2 growth engines supplemented by evergreen venture capital (VC) investment activity in technology-driven businesses.

For more information, please refer to our corporate website www.engro-global.com.

Issued for and on behalf of **EnGro Corporation Limited**.

By Financial PR Pte Ltd

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