



ENGRO CORPORATION LIMITED  
(Incorporated in the Republic of Singapore)  
Co. Reg. No. 197302229H

**First Quarter Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	1Q10 S\$'000	1Q09 S\$'000	% Change
<b>Continuing operations</b>			
<b>Revenue</b>	<b>21,608</b>	<b>26,266</b>	(17.7)
Changes in inventories of finished goods and work-in-progress	(1,361)	(4,854)	(72.0)
Raw materials	(14,806)	(15,492)	(4.4)
Gain / (Loss) on disposal of property, plant and equipment	16	(13)	n.m.
Investment income and gain / loss on disposal of investments	427	215	98.6
Interest income	10	147	(93.2)
Dividend income	38	31	22.6
Other income	68	252	(73.0)
Exchange (loss) / gain	(169)	1,435	n.m.
Write-back for doubtful receivables and bad debts recovered	5	-	n.m.
Depreciation of property, plant and equipment	(468)	(450)	4.0
Impairment losses on investments	(44)	(1,367)	(96.8)
Net change in fair value of financial assets held for trading	591	60	n.m.
Staff costs	(2,685)	(2,159)	24.4
Rental expenses	(432)	(391)	10.5
Other expenses	(3,756)	(3,204)	17.2
Interest expenses	(35)	(195)	(82.1)
<b>(Loss) / Profit before share of profit of associates</b>	<b>(993)</b>	<b>281</b>	n.m.
Share of profit of associates (net of tax)	763	1,184	(35.6)
<b>(Loss) / Profit from ordinary activities before taxation</b>	<b>(230)</b>	<b>1,465</b>	n.m.
Income tax (expense)	(66)	(4)	n.m.
<b>Profit from continuing operations</b>	<b>(296)</b>	<b>1,461</b>	n.m.
<b>Discontinued operation</b>			
Loss from discontinued operation (net of tax)	-	(646)	n.m.
<b>Net (loss) / profit for the period ended</b>	<b>(296)</b>	<b>815</b>	n.m.

**Attributable to :**

Equity holders of the Company	(230)	917	n.m.
Minority interests	(66)	(102)	(35.3)
<b>Net (loss) / profit for the period ended</b>	<b>(296)</b>	<b>815</b>	n.m.

**Statement of Comprehensive Income**

	Group		
	1Q10 S\$'000	1Q09 S\$'000	% Change
<b>Net (loss) / profit for the period ended</b>	<b>(296)</b>	<b>815</b>	n.m.
<b>Other comprehensive income:</b>			
Exchange differences on translation of financial statements of foreign subsidiaries and associates	(110)	1,974	n.m.
Exchange differences on monetary items forming part of net investment	(161)	1,970	n.m.
Net change in fair value of equity securities available for sale transferred to profit or	(11)	(560)	(98.0)
Net change in fair value of equity securities available for sale	(268)	(2,162)	(87.6)
<b>Other comprehensive income for the period, net of tax</b>	<b>(550)</b>	<b>1,222</b>	n.m.
<b>Total comprehensive income for the period</b>	<b>(846)</b>	<b>2,037</b>	n.m.

**Total comprehensive income attributable to :**

Equity holders of the Company	(780)	2,139	n.m.
Minority interests	(66)	(102)	(35.3)
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>(846)</b>	<b>2,037</b>	n.m.

n.m. - not meaningful

Note : Figures for prior year has been restated to conform with current year presentation.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company		Group	Company
	31.03.2010	31.12.2009	31.03.2010	31.12.2009	%	%
	S\$'000	S\$'000	S\$'000	S\$'000	Change	Change
<b>Non-current assets</b>						
Property, plant and equipment	9,392	9,287	761	719	1.1	5.8
Subsidiaries	-	-	53,658	53,582	0.0	0.1
Associates	61,505	60,913	33,407	33,407	1.0	0.0
Other investments	24,784	26,121	2,332	2,495	(5.1)	(6.5)
Other financial assets	172	172	172	172	0.0	0.0
	<b>95,853</b>	<b>96,493</b>	<b>90,330</b>	<b>90,375</b>	<b>(0.7)</b>	<b>(0.0)</b>
<b>Current assets</b>						
Inventories	6,684	8,038	2,803	4,335	(16.8)	(35.3)
Trade and other receivables	26,975	25,535	29,590	28,374	5.6	4.3
Other investments	9,724	9,438	-	41	3.0	(100.0)
Cash and cash equivalents	41,722	42,750	34,549	36,483	(2.4)	(5.3)
Assets classified as held for sale	1,271	1,215	-	-	4.6	0.0
	<b>86,376</b>	<b>86,976</b>	<b>66,942</b>	<b>69,233</b>	<b>(0.7)</b>	<b>(3.3)</b>
<b>Total assets</b>	<b>182,229</b>	<b>183,469</b>	<b>157,272</b>	<b>159,608</b>	<b>(0.7)</b>	<b>(1.5)</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	83,654	83,654	83,654	83,654	0.0	0.0
Reserves	83,392	84,102	64,383	65,300	(0.8)	(1.4)
	167,046	167,756	148,037	148,954	(0.4)	(0.6)
Minority interests	709	775	-	-	(8.5)	0.0
<b>Total equity</b>	<b>167,755</b>	<b>168,531</b>	<b>148,037</b>	<b>148,954</b>	<b>(0.5)</b>	<b>(0.6)</b>
<b>Non-current liabilities</b>						
Financial liabilities	1,889	1,938	69	77	(2.5)	(10.4)
Deferred tax liabilities	533	498	-	-	7.0	0.0
	<b>2,422</b>	<b>2,436</b>	<b>69</b>	<b>77</b>	<b>(0.6)</b>	<b>(10.4)</b>
<b>Current liabilities</b>						
Trade and other payables	11,062	11,488	3,627	4,987	(3.7)	(27.3)
Financial liabilities	642	666	5,539	5,590	(3.6)	(0.9)
Current tax payable	348	348	-	-	0.0	0.0
	<b>12,052</b>	<b>12,502</b>	<b>9,166</b>	<b>10,577</b>	<b>(3.6)</b>	<b>(13.3)</b>
<b>Total liabilities</b>	<b>14,474</b>	<b>14,938</b>	<b>9,235</b>	<b>10,654</b>	<b>(3.1)</b>	<b>(13.3)</b>
<b>Total equity and liabilities</b>	<b>182,229</b>	<b>183,469</b>	<b>157,272</b>	<b>159,608</b>	<b>(0.7)</b>	<b>(1.5)</b>

**Explanatory Notes to Balance Sheet**

1) Total assets for the group was down 0.7% at \$182.2 million compared to \$183.5 million as at end-Dec'09 due to decrease in other investments of \$1.3 million attributable to disposal and fair value (loss) on equity securities available for sale.

2) Decline in inventories of \$1.4 million is offset by increase in trade and other receivables of \$1.4 million.

n.m. - not meaningful

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 31.03.2010		As at 31.12.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
267	375	291	375

**Amount repayable after one year**

As at 31.03.2010		As at 31.12.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
951	938	907	1,031

**Details of any collateral**

The Group's banking facilities are secured by :

- a) a legal charge on a subsidiary's freehold land and building with a carrying amount of S\$1.3 million;
- b) debenture incorporating fixed and floating charge for S\$2.1 million over all the assets of a subsidiary; and
- c) tradeable securities of a subsidiary with a carrying amount of S\$1.5 million;
- d) a legal charge on a subsidiary's leasehold land with a carrying amount of S\$0.1 million;
- e) fixed deposits amounting to S\$0.7 million.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	1Q10 S\$'000	1Q09 S\$'000
<b>Operating activities</b>		
(Loss) / Profit before income tax	(230)	819
Adjustments for:		
Amortisation of financial guarantee	-	(115)
Depreciation of property, plant and equipment	468	506
Dividend income	(38)	(31)
Equity settled share-based payment transactions	70	-
(Gain) / loss on disposal of property, plant & equipment	(16)	15
Gain on disposal of investments	(239)	(182)
Impairment losses on investments	44	1,367
Interest expense	35	210
Interest income	(10)	(147)
Net change in fair value of financial assets held for trading	(591)	(60)
Share of profit of associates (net of tax)	(763)	(1,184)
Write-back for doubtful receivables	(5)	-
Write-back for inventory obsolescence	-	(110)
<b>Operating (loss) / profit before working capital changes</b>	<u>(1,275)</u>	<u>1,088</u>
Changes in working capital:		
Inventories	1,396	5,818
Trade and other payables	(439)	(4,434)
Trade and other receivables	(1,322)	492
<b>Cash generated (used in) / from operations</b>	<u>(1,640)</u>	<u>2,964</u>
Income tax paid	(68)	(10)
<b>Cash flows from operating activities</b>	<u>(1,708)</u>	<u>2,954</u>
<b>Investing activities</b>		
Distribution from other investments	108	199
Dividends received	38	31
Interest received	10	147
Loan to associates	(10)	(105)
Proceeds from disposal of other investments	1,164	7,500
Proceeds from disposal of property, plant and equipment	46	-
Purchase of property, plant and equipment	(584)	(851)
<b>Cash flows from investing activities</b>	<u>772</u>	<u>6,921</u>
<b>Financing activities</b>		
Deposits pledged	(32)	(7,892)
Interest paid	(35)	(210)
Proceeds / (repayment) of short term borrowings	7	(210)
Repayment of finance leases, net	(10)	(73)
Repayment of long term borrowings	(71)	(4)
<b>Cash flows from financing activities</b>	<u>(141)</u>	<u>(8,389)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	(1,077)	1,486
Cash and cash equivalents at beginning of period	42,116	12,718
Effect of exchange fluctuations on cash held	16	114
<b>Cash and cash equivalents at end of period</b>	<u><b>41,055</b></u>	<u><b>14,318</b></u>
<b>Comprising:</b>		
Fixed deposits	35,572	17,764
Bank balances	6,150	7,605
	<u>41,722</u>	<u>25,369</u>
Deposits pledged	(667)	(11,051)
	<u><b>41,055</b></u>	<u><b>14,318</b></u>
<b>Cash flows attributable to discontinued operations:</b>		
Operating	-	(29)
Investing	-	(148)
Financing	-	(7)
	<u>-</u>	<u>(184)</u>

**Explanatory Notes to Cash Flow Statement**

1) Net cash used in operating activities was \$1.7 million.

2) Net cash generated from investing activities was \$0.8 million derived from disposal of equity investments, dividend income and purchase of fixed assets.

3) Net cash used of \$0.1 million in financing activities was for repayment of bank loan.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Share capital S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Accumulated profit / (loss) S\$'000	Total attributable to equity holders of the parent S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>Group</b>								
At 1 January 2009	83,605	627	(1,472)	4,296	63,777	150,833	1,149	151,982
<b>Total comprehensive income for the period</b>								
Net profit for the period	-	-	-	-	917	917	(102)	815
<b>Other comprehensive income</b>								
Exchange differences on translation of financial statements of foreign subsidiaries and associates	-	-	1,974	-	-	1,974	-	1,974
Exchange differences on monetary items forming part of net investment	-	-	1,970	-	-	1,970	-	1,970
Net change in fair value of equity securities available for sale transferred to profit or loss	-	-	-	(560)	-	(560)	-	(560)
Net change in fair value of equity securities available for sale	-	-	-	(2,162)	-	(2,162)	-	(2,162)
Total other comprehensive income	-	-	3,944	(2,722)	-	1,222	-	1,222
<b>Total comprehensive income for the period</b>	-	-	3,944	(2,722)	917	2,139	(102)	2,037
At 31 March 2009	83,605	627	2,472	1,574	64,694	152,972	1,047	154,019
At 1 January 2010	83,654	832	(2,517)	1,616	84,171	167,756	775	168,531
<b>Total comprehensive income for the period</b>								
Net loss for the period	-	-	-	-	(230)	(230)	(66)	(296)
<b>Other comprehensive income</b>								
Exchange differences on translation of financial statements of foreign subsidiaries and associates	-	-	(110)	-	-	(110)	-	(110)
Exchange differences on monetary items forming part of net investment	-	-	(161)	-	-	(161)	-	(161)
Net change in fair value of equity securities available for sale transferred to profit or loss	-	-	-	(11)	-	(11)	-	(11)
Net change in fair value of equity securities available for sale	-	-	-	(268)	-	(268)	-	(268)
Total other comprehensive income	-	-	(271)	(279)	-	(550)	-	(550)
<b>Total comprehensive income for the period</b>	-	-	(271)	(279)	(230)	(780)	(66)	(846)
<b>Contributions by and distributions to owners</b>								
Value of employee services received for issue of share options	-	70	-	-	-	70	-	70
Total transactions with owners	-	70	-	-	-	70	-	70
At 31 March 2010	83,654	902	(2,788)	1,337	83,941	167,046	709	167,755

<b>Company</b>	Share capital S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Accumulated profit / (loss) S\$'000	Total equity S\$'000
At 1 January 2009	83,605	627	(458)	45,403	129,177
<b>Total comprehensive income for the period</b>					
Net profit for the period	-	-	-	2,240	2,240
<b>Other comprehensive income</b>					
Net change in fair value of equity securities available for sale	-	-	(27)	-	(27)
Total other comprehensive income	-	-	(27)	-	(27)
<b>Total comprehensive income for the period</b>	-	-	(27)	2,240	2,213
At 31 March 2009	83,605	627	(485)	47,643	131,390
At 1 January 2010	83,654	832	360	64,108	148,954
<b>Total comprehensive income for the period</b>					
Net loss for the period	-	-	-	(943)	(943)
<b>Other comprehensive income</b>					
Net change in fair value of equity securities available for sale transferred to profit or loss	-	-	(163)	-	(163)
Net change in fair value of equity securities available for sale	-	-	119	-	119
Total other comprehensive income	-	-	(44)	-	(44)
<b>Total comprehensive income for the period</b>	-	-	(44)	(943)	(987)
<b>Contributions by and distributions to owners</b>					
Value of employee services received for issue of share options	-	70	-	-	70
Total transactions with owners	-	70	-	-	70
At 31 March 2010	83,654	902	316	63,165	148,037

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

As at 31 March 2010, the total number of Company's ordinary shares was 117,302,500.

As at 31 March 2010, options to subscribe to 7,670,000 ordinary shares remained unexercised (31 March 2009: 8,140,000).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<u>As at 31 Mar 2010</u>	<u>As at 31 Dec 2009</u>
Total number of issued shares	<u>117,302,500</u>	<u>117,302,500</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

These figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2009.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

From continuing and discontinued operations:

Profit / (Loss) per ordinary share for the period based on operating profit after tax attributable to members of the company after deducting any provision for preference dividends:-

(i) Based on weighted average number of ordinary shares in issue

(ii) On a fully diluted basis

Group Figures	
1Q10	1Q09
(0.20) cents	0.78 cents
(0.19) cents	0.78 cents

From continuing operations:

Profit / (Loss) per ordinary share for the period based on operating profit after tax attributable to members of the company after deducting any provision for preference dividends:-

(i) Based on weighted average number of ordinary shares in issue

(ii) On a fully diluted basis

Group Figures	
1Q10	1Q09
(0.20) cents	1.27 cents
(0.19) cents	1.27 cents

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

Group		Company	
31.03.2010	31.12.2009	31.03.2010	31.12.2009
S\$1.42	S\$1.43	S\$1.26	S\$1.27

Net asset value per ordinary share is computed based on 117,302,500 ordinary shares as at 31 March 2010 (31 December 2009: 117,302,500 ordinary shares).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Review of Q1 2010 Performance**

Group revenue was down 17.7% at \$21.6 million over the corresponding period 2009 due to Singapore cement, ready-mix concrete businesses and specialty polymer.

Loss attributable to equity holders of the Company was \$0.2 million compared to profit of \$0.9 million for the same period last year due to exchange loss of \$0.2 million against a gain of \$1.4 million, increase in other expenses of \$0.6 million, and staff cost of \$0.5 million offset by lower impairment losses of \$1.3 million and higher fair value gain of \$0.6 million from investments respectively.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The operating conditions remain challenging for Singapore cement and ready-mix industry. Despite the stiff competition, as a leading player we will continue to push forward our eco-friendly, Green Label accredited cementitious products in line with our BCA's green building campaign.

In spite of higher raw material costs and a more competitive operating environment, our China GGBS associates are expected to perform satisfactorily.

Our Specialty Polymer businesses is on track with plan and will continue to focus on providing toll compounding services for one of the global petrochemical major for the growing Asia-Pacific market.

Investments in property development will continue to contribute to the Group's earnings.

Confronted with the stiff competition in the Singapore cement and ready-mix operations as well as the initial gestation for our toll compounding business, we expect our China GGBS associates and investments in property development to generate satisfactory results. We expect the Group to remain profitable for the year.



**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on ? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year ? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**13 Interested Person Transactions**

Interested person transactions conducted during 1st quarter of financial year 2010:

Name of Interested Person	Aggregate value of all interested person transactions during the quarter under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)
	1st Quarter 2010
	S\$'000
	Nil

BY ORDER OF THE BOARD

Tan Cheng Gay  
Chairman and CEO  
11 May 2010

CONFIRMATION BY THE BOARD

We, TAN CHENG GAY and TAN YOK KOON being two directors of EnGro Corporation Limited (the "Company") do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the 1Q 2010 financial results to be false or misleading in any material respect.

On behalf of the board of directors

TAN CHENG GAY  
Chairman and CEO

TAN YOK KOON  
Director

Singapore, 11 May 2010