



BUILDING SUSTAINABILITY

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PRESS RELEASE

EnGro establishes joint venture with Wuhan Iron & Steel Group to ride on the rise of Central China

-  **PM Lee Hsien Loong attends the signing ceremony of joint venture between EnGro Corporation Limited and Wuhan Iron and Steel Group**
-  **The latest joint venture raises EnGro's GGBS production capacity in China to 6 million tons annually**

SINGAPORE, 13 September 2010 – On September 10, Singapore Prime Minister Lee Hsien Loong witnessed the signing between EnGro Corporation Limited and Wuhan Iron and Steel Corporation (WISCO) to establish a joint venture company in Wuhan City.

The new joint-venture company, Wuhan WuAng Materials Company Limited, will generate 1.2 million tons per annum of eco-friendly building materials called Ground Granulated Blast furnace Slag (GGBS). While the existing production capacity of 4.8 million tons in total are spread across Jiangsu, Shandong and Hebei provinces, the new joint venture with WISCO will raise EnGro's GGBS production capacity in China to 6 million tons annually.

China is today one of the most preferred investment destinations for foreign enterprises. The Chinese Government's "Rise of Central China" strategy opens the door to many opportunities for Singapore companies with long-term view to ride on Central China's growth.



Photo source: WISCO website

(Note: photo to be used strictly for EnGro's news release only and not for advertisements or any other publications)

Wuhan is the provincial capital of Hubei province. The development of the Wuhan Megalopolis (武汉城市圈) is the focal point, serving as hub from the rise of Central China. The Wuhan Megalopolis, also known as "1-plus-8", comprises Wuhan and 8 satellite cities within a 100-kilometer radius. They are: Huangshi, Ezhou, Xiaogan, Huanggang, Xianning, Xiantao, Tianmen and Qianjiang. This Megalopolis is set to become the most concentrated, vibrant and dynamic region in Central China.

GGBS is produced from blast furnace slag, a by product generated by the iron making process. For more than 20 years, EnGro have been concentrating at converting this low-value material into a high-performance cementitious material.

Due to its strength and resistance to corrosions and chemical attacks, GGBS is used with ordinary Portland cement to make durable Green Concrete. Concrete so produced extends the life span of a building beyond one hundred years. EnGro have successfully adopted GGBS to replace as much as 75% of Portland cement used in concrete that has gone into projects, e.g. Clean Tech Park building, Underground Cable Tunnel, Deep Tunnel Sewerage System (DTSS) and underground MRT projects in Singapore. In China , our GGBS is being used to construct the elevated concrete structures of the prestigious Beijing-Shanghai High-Speed Railway (京沪高速铁路) project, a testament in support of GGBS's superiority as the material of the 21st century.

One very important aspect of using GGBS is the reduction in CO₂ emission to our environment. GGBS, with its significantly low carbon footprint, effectively reduces the CO₂ emission via partial substitution of ordinary Portland cement, which otherwise emits between 0.85 to 0.9 tons of CO₂ emission during its production. Our project eradicates environmental problems associated with waste disposal, helps reduce CO₂ emission, conserves natural resources, as well as reduces energy consumption, making construction of "Green Buildings" a reality. These attributes are the foundation to EnGro's pursuit in "Building Sustainability". The JV project falls in line with the China recycling economy, which is one of key initiatives under the its 11th 5-year and the forthcoming 12th 5-year plan.

This GGBS plant is among a few eco-friendly projects which will be pivotal in turning WISCO into a "Green WuGang". The collaboration has therefore come in at a most timely manner allowing EnGro to share its experience and join hands with its new partner in turning the planet into a greener place for all. This new venture also marks another milestone for EnGro in its journey in China. It is the latest in a number of partnerships EnGro has successfully forged with leading steelworks across China over the last 10 years, which include Hebei Iron & Steel Group, Jinan Iron & Steel, and Jiangsu SHAGANG Group.

This latest JV between WISCO and EnGro also demonstrates the power of collaboration through partnership building leveraged on each other's resources, strengths, technical knowhow and experience. Through the auspices of officials

from China's Hubei provincial government as well as encouragement and support extended by the International Enterprise (IE) Singapore¹, the long process of due diligence undertaken by both companies has finally brought about a joyful union. Both companies are confident that the new JV will have an important role to play in not only the development of the region, but also to serve as a conduit for more cross-investments between Singapore companies and Hubei enterprises. EnGro is hopeful that this new JV with WISCO will in time bring about other areas of co-operation.

EnGro is the first cement company in Singapore to obtain the Singapore Green Label accreditation and has ten of its eco-friendly building material products listed in Singapore Environment Council's (SEC) Green Label directory. As part of its Green Initiative to be the leader in the green movement, EnGro also became the first cement company in Singapore to implement an independent carbon footprint assessment for its Green Label products. It is noteworthy to highlight that EnGro is also playing the role of a "green ambassador" to help its supply-chain "Go Green" and more recently initiated a private community called the *Friends of Building Sustainability (FBS)* (可持续发展之友) to help companies from various sectors adopt sustainable development practices to help spur the global green movement.

>> The End

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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 Concrete 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

¹ IE Singapore is the lead agency under the Ministry of Trade and Industry promoting the overseas growth of Singapore-based enterprises and international trade.

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 business and selective property development projects.

EnGro is proud to be associated with the Friends of Building Sustainability (FBS) community of companies that initiate industry-led activities to spur the global green movement.

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

About Wuhan Iron and Steel (Group) Corporation (“WISCO”)

Wuhan Iron and Steel (Group) Corporation (hereinafter referred to as WISCO), commenced its construction from 1955, and put into production on Sep 13, 1958, is the first giant iron and steel complex established after the founding of the People’s Republic of China and one of the backbone enterprises under the leadership of the Central Government and the State Council. After its integration and reformation with Echeng Iron & Steel Company, and Liuzhou Iron & Steel Company, the group corporation has have an annual production capacity of 20 million tons, ranking the third of the same in China, and the sixteenth of the same all over the world. Located in the eastern suburb of Wuhan, Hubei known as “Thoroughfare to Nine Provinces”, WISCO sits on the south bank of Changjiang River, covering an area of 21.17 square kilometers. WISCO - the important plate production base in China owns a complete set of processing plants composed of mining, coking, sintering, iron making, steel making, rolling, and the associated utilities. It has made an important contribution to China’s national economy and modernization during some 50-year construction and development. By the end of 2006, WISCO has produced 177 million tons of steel with an accumulated profit and tax of 85.4 billion RMB, among which, 59.892 billion RMB handed over to the state, which is 9.3 times of 6.42 billion RMB invested to WISCO by the state.

Main steel products are hot rolled coils/sheets, hot rolled section steel, hot rolled heavy-duty rails, medium plates, cold rolled coils/sheets, galvanized sheets, tinned sheets, cold rolled oriented and non-oriented silicon sheets, color coated sheets, high speed rolled wires and etc. which is in total several hundreds of varieties, among which, cold rolled silicon sheets, automobile sheets, bridge steel, pipeline plates, pressure vessel steel, container steel, wire for tyre cords, high performance construction steel and so on known as “High Quality and High Value-added Products” and brand-name products enjoy widely fame at home and abroad market. Besides, it also produces by-products such as coke, refractory material, chemical products, ferroalloy, mechanical and electrical equipment, powder metallurgical products, copper-sulfur- cobalt concentrated ores, granulated slag, oxygen and rare gases, etc. WISCO has listed main steel business as a whole in stock market successfully, realized integration and reformation with Echeng Iron & Steel Company and Liuzhou Iron & Steel Company one after another, separated the function of enterprise from that of community, and actively implementing reformation of auxiliary business.

For more information, please refer to WISCO corporate website www.wisco.com.cn

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