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Media Release – For Immediate Release

EnGro's FY08 revenue rose 8.9% to S$137.8m on stronger cement and building materials business

- **Profit before impairment, fair value gain/loss and taxation rose 157.90% to S$10.9m in FY08 due to strong contribution from specialty cement as well as cement and building materials businesses**

- **Net profit down 25.4% to S$6.2m in FY08 due to impairment and fair value loss on investments as well as wider losses from specialty polymer business**

- **EnGro's cement and building materials business rose 72.2% to S$88.4m in FY08**

- **EnGro's specialty cement business in China is growing strong and likely to benefit from the Chinese economic stimulus packages**

- **The Group proposes final ordinary dividend of 3.0 cent a share**

Singapore, 23 February 2009 – EnGro Corporation Limited ("EnGro", or the "Group"), one of Asia's largest producers of eco-friendly specialty cement [also known as Ground Granulated Blastfurnace Slag ("GGBS")], has announced a commendable set of results for FY08 in view of the unprecedented global economic meltdown.

Financial Highlights

S$'000	FY08	FY07	% Chg	4Q08	4Q07	% Chg
Revenue	137,811	126,572	8.9%	34,669	36,037	(3.8%)
Gross Profit	29,777	22,303	33.5%	6,894	6,595	4.5%
Share of profit of associates	8,552	5,343	60.1%	1,164	1,695	(31.3%)
Profit before impairment, fair value gain/loss and taxation	10,904	4,228	157.9%	339	945	(64.1%)
Net Profit / (Loss)	6,236	8,359	(25.4%)	(1,608)	754	NM
Diluted EPS (cents)	5.64	7.88	(28.4%)	(1.24)	0.69	NM

<u>Financial and Operations Overview</u>

EnGro's Singapore operations comprising cement and ready-mix concrete ("RMC") riding on the boom of major public and private sector projects in the Singapore construction scene.

Group revenue for FY08 registered S$137.8 million, an increase of 8.9% over last year. The revenue growth stemmed primarily from improved performance in the cement and ready-mix business in Singapore. However, revenue from specialty polymer business dropped as a result of low demand amid a worsening electronics and manufacturing sectors.

The Group's Gross Profit for FY08 rose 33.5% in tandem with revenue to hit S$29.8 million benefiting from strong demand for cement and building materials in the Singapore construction sector. In this regard, the Group's gross profit margin rose to 21.6% in FY08 from 17.6% in FY07. The Group's earnings were boosted by the specialty cement business in China which continues to gain strength from the China 11th 5-year plan plus China Central Government's economic stimuli.

The quarter also marked the continuation of yet another successful 3 months for the Group's specialty cement (GGBS) business in China. The Group's share of profits from associates hit a high of S$8.6 million for FY08 representing a 60.1% increase over the previous year, with much of the increase contributed by its strategic specialty cement (GGBS) Joint Ventures with major steel groups in China. This is a commendable performance considering the disruptions to plant operations occurred during the 2008 Beijing Olympics.

Overall, the Group posted a net profit decrease of 25.4% to S$6.2 million for the full year 2008 mainly due to impact from the unprecedented meltdown in the global financial markets. Similarly net profit margin also fell to 4.5% in FY08 from 6.6% in FY07.

Riding Through An Unprecedented Global Economic Crisis

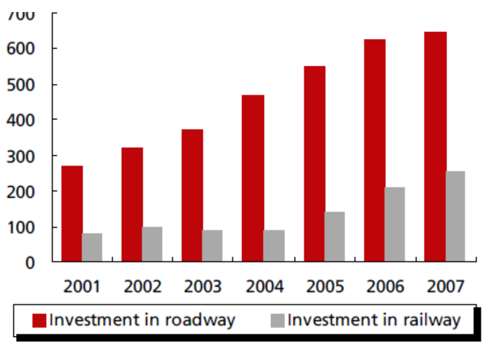
From tax rebates, relaxation of regulation to direct investment in infrastructure projects, the Singaporean Government has taken extraordinary measures to pump prime, as it seeks to shore up the economy in view of bleak numbers that indicate that Singapore will go through another recessionary period. In the face of very tough economic conditions, the construction sector is still expected to maintain momentum per the stimuli announced in the recent 2009 budget. Recently announced estimates by the Building and Construction Authority ("BCA") puts total construction demand for 2009 at between S$22 billion and S$28 billion, largely due to the deluge of public infrastructure projects such as MRT and major road projects. This will help mitigate the drop in private sector construction demand, which will fall to between S$5 billion and S$9 billion.

Despite the expected drop in total construction demand in 2009, the Group has identified further opportunities for its integral cement and RMC business which is expected to benefit from the growing environmental awareness and nascent Green Building trend. Indeed, S$1 billion from Budget 2009 has been earmarked specifically for the task of "greening" Singapore infrastructure. This was done to encourage private developers wary of the higher upfront costs to make investments in sustainable developments. The Group's integral cement and RMC operations are actively playing its role in the major infrastructural developments, such as the MRT Circle Line and Downtown Line, Marina Bay Sands and Pasir Panjang Port Terminal Expansion projects.

Growing Infrastructure Construction Demand in China

The Group's specialty cement and RMC associates in China are expected to receive a boost from the massive RMB4 trillion economic stimuli, of which approximately 70% has been set aside for construction related projects. A main beneficiary of the package is the Chinese rail sector, which has been plagued by aging infrastructure and insufficient capacity. The Group's specialty cement (GGBS) plants which are currently supplying "VCEM" brand specialty cement (GGBS) to the mega-size US$21 billion Beijing-Shanghai High-Speed Railway project, are also well-positioned to supply specialty cement (GGBS) to other mega-size infrastructure projects in the future. As part of the reform of the railway sector, the Chinese Government has committed to completing 10,000km of new lines by 2010 at a cost of RMB1 trillion.

Total Capital Investment in Road & Railway



Source: Ministry of Railway, PRC

"With the acceptance of GGBS produced by all our Chinese JV plants under VCEM brand by the Beijing-Shanghai High Speed Railway project – a recognition of VCEM's superior quality & reliability, we have gained valuable experience dealing with large scale Government projects. Looking forward we intend to leverage on the experience gained from the project coupled as we bid for major infrastructure projects going forward. "

- Mr Tan Cheng Gay, Chairman and CEO

Against the very tough and unprecedented operating environment in 2009, the Group will strive to capitalize on the opportunities provided by the infrastructure stimuli announced in both China and Singapore.

Dividends

The EnGro Board of Directors has recommended a final tax-exempt (one tier) dividend of 3 Singapore cents per ordinary share, or a full year dividend of 56.4% of net profits after tax.

>>>>>>> The End

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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