

ENGRO CORPORATION LIMITED
(Registration no: 197302229H)

PROVISION OF COUNTER INDEMNITY TO AN ASSOCIATE WITH AN INTERESTED PERSON

Pursuant to Rule 916(3) of the SGX-ST Listing Manual, the Board of Directors of EnGro Corporation Limited (“EnGro” or the “Company”) wishes to announce that the Company has executed the Indemnity Agreement in favour of Ho Bee Land Limited (“HBLL”) for RMB 600 million loan facilities (the “Loan Facilities”) obtained by Yanlord Ho Bee Property Development (Tangshan) Co., Ltd (“YHBPD”) for the purpose of financing phase 2 development of Tangshan Yanlord Ho Bee Nanhu Eco City.

The Company owns 20% equity interest and HBLL owns 80% equity interest in the capital of HB Investments (China) Pte Ltd (“HBIC”), a company established in Singapore. HBIC in turn owns 50% equity interest and Yanlord Land Pte Ltd (YLPL) owns 50% equity interest in Yanlord Ho Bee Investments Pte Ltd (“YHBI”). YHBPD is a wholly-owned subsidiary of YHBI.

HBLL and YLPL have provided a joint undertaking to the bank to secure the Loan Facilities.

The Loan Facilities are obtained for the benefit of YHBPD and the Company has executed the Indemnity Agreement to counter-indemnify HBLL in proportion to the Company’s 10% indirect interest in YHBPD (the “Counter Indemnity”).

The Counter Indemnity of RMB 60 million (equivalent to SGD 12.1 million at exchange rate RMB1:SGD0.2018), represents 5.6% of the latest audited net tangible assets of the Group as at 31 December 2017.

Mr Chua Thian Poh is a controlling shareholder of both HBLL and the Company. HBLL is considered an interested person within the meaning of Chapter 9 of the SGX-ST Listing Manual.

The Audit Committee of the Company has reviewed the interested person transaction and is of the view that the provision of Counter Indemnity is not prejudicial to the interests of the Company and its minority shareholders and the risks and rewards of each of the joint venture parties are in proportion to the equity interest of each joint venture partner and the terms for the provision of the Counter Indemnity are not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed above, none of the directors of the Company has any interest direct or indirect in the above transaction.

BY ORDER OF THE BOARD

Joanna Lim
Company Secretary
22 March 2019