

---

## Issuer & Securities

### Issuer/ Manager

ENGRO CORPORATION LIMITED

### Securities

ENGRO CORPORATION LIMITED - SG1H26001476 - S44

**ASSET ACQUISITIONS AND DISPOSALS::DISPOSAL OF ENTIRE 40% EQUITY INTEREST IN TANGSHAN TANGLONG MATERIALS CO LTD**

---

## Announcement Details

### Announcement Title

Asset Acquisitions and Disposals

### Date & Time of Broadcast

03-Jan-2024 21:31:31

### Status

New

### Announcement Sub Title

DISPOSAL OF ENTIRE 40% EQUITY INTEREST IN TANGSHAN TANGLONG MATERIALS CO LTD

### Announcement Reference

SG240103OTHRK0FZ

### Submitted By (Co./ Ind. Name)

Joanna Lim

### Designation

Company Secretary

### Effective Date and Time of the event

03/01/2024 17:00:00

### Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

---

## Attachments

[EnGro - Ann Divestment of TL.pdf](#)

Total size =228K MB



**ENGRO CORPORATION LIMITED**  
(Registration no: 197302229H)

---

## **DISPOSAL OF ENTIRE 40% EQUITY INTEREST IN TANGSHAN TANGLONG MATERIALS CO LTD**

---

### **Introduction**

The Board of Directors of EnGro Corporation Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”), wishes to announce that the Company’s 40% owned joint venture, Tangshan Tanglong Materials Co Ltd (“TSTL”), has been liquidated by way of members’ voluntary liquidation, with its completion on 26 December 2023.

### **1. Particulars of the transaction**

TSTL is a company incorporated in the People’s Republic of China with an issued and paid-up share capital of RMB92 million.

### **2. Description of TSTL**

TSTL is principally engaged in the manufacture and sale of specialty cement, based in Tangshan, PRC.

### **3. Value of the assets disposed of and proceeds from the disposal**

The book value and net tangible asset value of TSTL at the time of liquidation (on 30 November 2023) is the same at RMB102.0 million, consisted of pure cash. No valuation was conducted. The Company is eligible to a net proceed of RMB40.8 million (equivalent to S\$7.6 million), which comprises the capital repatriation of RMB36.8 million and a profit distribution net of withholding tax of RMB4 million. The proceeds were satisfied wholly in cash. It will be used to fund general corporate and working capital needs of the Group.

### **4. Loss on disposal**

Based on the Company’s 40% equity interest in TSTL, the loss on disposal was approximately S\$680,000, attributed to the exchange differences relating to the foreign operation of TSTL, reclassified from equity to profit or loss in accordance with SFRS(I) 1-21.

### **5. Financial effect of the transaction**

In accordance with Rule 1010(8) & (9) of the Listing Manual, the financial effects set out below have been calculated using the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

## NTA

Assuming that the disposal had been completed on 31 December 2022, the effect of the Disposal on the NTA per Share of the Group is as follows:

	<b>Before the disposal</b>	<b>After the disposal</b>
NTA (S\$'000)	278,397	277,717
Number of shares ('000)	118,703	118,703
NTA per share (S\$ cents)	235	234

## EPS

Assuming that the disposal had been completed on 1 January 2023, the effect of the Disposal on the EPS of the Group is as follows:

	<b>Before the disposal</b>	<b>After the disposal</b>
Net loss attributable to owners of the Company (S\$'000)	(1,614)	(2,294)
Weighted average number of shares ('000)	118,703	118,703
Basic earnings per share (S\$ cents)	(1.36)	(1.93)

## **6. Rationale for the transaction**

After careful consideration and strategic evaluation, both parties have mutually agreed that winding down the joint venture is in the best interest of the respective companies. Despite the conclusion of the joint venture, the Company remains committed to its growth strategy and will continue to explore new opportunities to enhance shareholder value.

## **7. Relative figures under Rule 1006 of the Mainboard Rules**

(a) The net asset value of the assets disposed of, compared with the group's net asset value.	2.81%
(b) The net profit attributable to the assets disposed of, compared with the group's net profits.	1.88%
(c) The aggregate value of the consideration received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	8.59%
(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

## **8. Interest of Directors and Controlling Shareholders**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Joanna Lim  
Company Secretary  
3 January 2024