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ENGRO CORPORATION LIMITED

Securities

ENGRO CORPORATION LIMITED - SG1H26001476 - S44

GENERAL ANNOUNCEMENT::MINUTES OF ANNUAL GENERAL MEETING HELD ON 29 APRIL 2024

No

Announcement Details

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

Please refer to the attachment relating to the Minutes of the Annual General Meeting held on 29 April 2024.

Attachments

[EnGro 2024 AGM minutes.pdf](#)

[EnGro 2024 AGM minutes Appendix 1.pdf](#)

Total size = 1407K MB

ENGRO CORPORATION LIMITED

("the Company")

Incorporated in the Republic of Singapore
Company Registration Number: 197302229H

MINUTES OF ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY HELD AT 25 INTERNATIONAL BUSINESS PARK, GERMAN CENTRE, MUNICH ROOM, 5TH FLOOR, EAST WING, SINGAPORE 609916 ON MONDAY, 29 APRIL 2024 AT 10.00 A.M.

PRESENT

DIRECTORS

Mr Tan Cheng Gay	- Executive Chairman and Chief Executive Officer
Mr Tan Yok Koon	- Executive Director
Mr Tan Soo Nan	- Lead Independent Director
Mr Steven Ong Kay Eng	- Independent Director
Mr Leow Foon Lee	- Independent Director

IN ATTENDANCE

*Attendance Lists are on records

**Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders present at this meeting, proposers and seconders as well as those who asked questions, will not be published in these minutes.*

CHAIRMAN

The Chairman, Mr Tan Cheng Gay ("**the Chairman**") welcomed shareholders to the AGM.

QUORUM

As there was a quorum, the Chairman declared the AGM of the Company opened at 10.00 a.m.

INTRODUCTION

The Chairman introduced the Directors present at the AGM.

NOTICE

The Notice convening the AGM dated 12 April 2024 was taken as read.

QUESTIONS AND ANSWERS

The Shareholders were informed that no questions were received from shareholders in advance of the AGM as at the deadline to submit questions on 19 April 2024. Additionally, no questions were received from shareholders after 19 April 2024 till the day of the AGM.

CHAIRMAN APPOINTED AS PROXY

The Chairman of the Meeting informed that he has been appointed by several shareholders as proxy and he would vote in accordance with the proxy's instructions.

POLL VOTING

All resolutions at the AGM were voted by poll pursuant to the Company's Constitution and Listing Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company has appointed Boardroom Corporate & Advisory Services Pte. Ltd. ("**Boardroom**") as polling agent and Reliance 3P Advisory Pte. Ltd. as scrutineer for purpose of the poll voting. The proxies lodged have been checked by the polling agent and scrutineer. A representative from Boardroom was invited to brief the Shareholders and Proxies on the procedures for the conduct of the poll.

BUSINESS OF AGM

The Chairman proceeded with the formal business of the AGM.

ORDINARY BUSINESS:

1. RESOLUTION 1 - TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, TOGETHER WITH THE AUDITORS' REPORT THEREON

The Meeting proceeded to receive and adopt the Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 December 2023.

The motion was duly proposed by the Chairman and seconded by a shareholder present.

After addressing questions (refer to Appendix 1 items 1 to 6) from the shareholders, the Chairman proceeded to put the following motion to vote by way of a poll:

"That the Directors' Statement, Audited Financial Statements and Auditors' Report thereon for the financial year ended 31 December 2023 be received and adopted".

2. RESOLUTION 2 - TO DECLARE A FIRST AND FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 3.0 CENTS PER ORDINARY SHARE AND A SPECIAL TAX EXEMPT (ONE-TIER) DIVIDEND OF 2.0 CENTS PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.

Resolution 2 is to declare a first and final tax-exempt (one-tier) dividend of 3.0 cents per ordinary share and a special tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the financial year ended 31 December 2023.

The dividend, if approved, will be paid on 31 May 2024.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That a first and final tax-exempt (one-tier) dividend of 3.0 cents per ordinary share and a special tax exempt (one-tier) dividend of 2.0 cents per ordinary share for the financial year ended 31 December 2023 be and is hereby approved.”

3. RESOLUTION 3 – TO RE-ELECT MR STEVEN ONG KAY ENG AS DIRECTOR

Resolution 3 dealt with the re-election of Mr Steven Ong Kay Eng as a Director of the Company. Mr Steven Ong Kay Eng who was retiring pursuant to Regulation 87 of the Company’s Constitution and being eligible for re-election, had offered himself for re-election.

Mr Steven Ong Kay Eng would, upon re-election as a Director of the Company, remain as a member of the Audit Committee and would be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He would also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That Mr Steven Ong Kay Eng be re-elected as a Director of the Company.”

4. RESOLUTION 4 – TO RE-ELECT MR LEOW FOON LEE AS DIRECTOR

Resolution 4 dealt with the re-election of Mr Leow Foon Lee as a Director of the Company. Mr Leow Foon Lee who was retiring pursuant to Regulation 87 of the Company’s Constitution and being eligible for re-election, has offered himself for re-election.

Mr Leow Foon Lee would, upon re-election as a Director of the Company, remain as a member of the Audit Committee and would be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That Mr Leow Foon Lee be re-elected as a Director of the Company.”

5. RESOLUTION 5 - TO RE-APPOINT KPMG LLP AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

Shareholders were informed that the retiring auditors, KPMG LLP had expressed their willingness to continue in office.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That KPMG LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors.”

SPECIAL BUSINESS:

6. RESOLUTION 6 - TO APPROVE THE PAYMENT OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Resolution 6 dealt with the approval of Directors’ fees of S\$270,000 for the financial year ended 31 December 2023.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That the Directors’ fees of S\$270,000 for the financial year ended 31 December 2023 be and is hereby approved”.

7. RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE SHARE ISSUE MANDATE

Resolution 7 is to authorize the Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited.

The motion was duly proposed by the Chairman and seconded by a shareholder present. As there were no questions from the shareholders, the following motion was put to vote by way of a poll:-

“That pursuant to Section 161 of the Companies Act 1967 of Singapore and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorized and empowered to:-

- (A) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise, and /or

- (ii) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with subparagraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities which were issued and are outstanding or subsisting at the time this Resolution is passed;
 - (ii) new shares arising from exercising share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

and, in sub-paragraph (a) above and this sub-paragraph (b), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.”

8. RESOLUTION 8 - PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Resolution 8 is to seek shareholder’s approval for the proposed renewal of the share purchase mandate.

The motion was duly proposed by the Chairman and seconded by a shareholder present. After addressing questions (refer to Appendix 1 items 7 to 8) from the shareholders, the following motion was put to vote by way of a poll:-

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "**Act**"), the exercise by the directors of all the powers of the Company to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company (the "**Shares**"), not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
 - (i) on-market purchases (each a "**Market Purchase**") effected on the SGX-ST through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable,

be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the

Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of:-

- (i) the date on which the next annual general meeting of the Company is held; or
- (ii) the date by which the next annual general meeting of the Company is required by law to be held; or
- (iii) the date on which the purchases of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:-

"Prescribed Limit" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:-

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Days and the day on which the Market Purchase was made; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

When shareholders have completed casting their votes on all the resolutions as set out on the Poll Voting Papers and signed on the Poll Voting Papers, they were submitted to the scrutineers for counting of the votes. While the counting was in progress, the Chairman proposed for the meeting to be adjourned for 15 minutes and shareholders were invited for some refreshments outside the meeting room.

The meeting break at 11.05 a.m.

RESULTS OF THE POLL

The meeting resumed at 11.30 a.m. with the requisite quorum.

The results of the poll were announced and presented as follows:-

Resolution	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	(%)	Number of shares	(%)
1	64,406,725	64,404,025	100.00%	2,700	0.00%
2	64,406,725	64,406,725	100.00%	0	0.00%
3	64,406,725	64,406,725	100.00%	0	0.00%
4	64,346,725	64,346,725	100.00%	0	0.00%
5	64,346,725	64,346,725	100.00%	0	0.00%
6	63,980,725	63,978,025	100.00%	2,700	0.00%
7	64,406,725	64,311,525	99.85%	95,200	0.15%
8	64,346,725	64,346,675	100.00%	50	0.00%

Based on the results, the Chairman declared that all the resolutions tabled at the AGM were carried.

CONCLUSION

There being no other business to transact, the Chairman thanked everyone for participating in the Company's AGM. The Chairman declared the AGM of the Company closed at 11.31 a.m.

The Company proceeded to commence the information session on the disposal of the entire equity interest in Qingdao Evergreen Materials and Technologies Co Ltd. ("**Disposal**"). The purpose of this information session is to provide an avenue for shareholders to ask questions in relation to the Disposal.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS OF AGM

(No signature required)

Mr Tan Cheng Gay
Chairman

Annual General Meeting
Questions & Answers

No.	Questions from Shareholders	Response
1	<p>Comment. I have a suggestion on the Annual Report. In totality, the “Financial Review” on page 4 of the Annual Report 2023 (“AR2023”) does not have enough information on financial review. Other than the small paragraph that comment on the revenue and net losses, there is not much financial review. We have to read through the financial statements to get an idea of what is going on. I would like to suggest that the Chairman and the Board re-look at the drafting of the AR and spend more time on the “Financial Review”. Although the information are sufficient for the reader to understand, it would be helpful to include a write up on how the respective segments have performed. The Chairman statement should contain information on business review including the financial results of the respective segments.</p>	<p>Chairman: We noted your comments and your suggestion would be taken into consideration.</p>
2	<p>In FY2023, the Specialty Cement operations in China and the Investments segment did not perform well as compared to the other 2 segments. We want to understand the challenges faced in the Specialty Cement joint venture operations in China. In FY2023, one joint venture was liquidated, and the Group is in the process of disposing the Qingdao Evergreen Materials and Technologies Co Ltd (“Qingdao”) which we will discuss later after this AGM. The Group has a few joint ventures in China and how are the partners in these joint ventures responding to the challenges? Is this segment your core business? Have you decided to exit from these joint ventures?</p>	<p>Chairman: On the Specialty Cement operations in China, we presumed that you are aware of the geo-political situation and the real estate outlook in China. We took up the opportunity to invest in China GGBS business more than 20 years ago. That was the time when China was enjoying growth until 2020. As shareholders, you have witnessed the benefits and profits made over the years. Our last 20 over years’ results speaks for itself on how we have managed our joint ventures in China. This is a long-term business which is subject to cyclical movement. Currently, China is encountering headwinds which would take time to correct. As of now, we are confident of the prospects in China and will stay in China continuously.</p> <p>As to whether Specialty Cement is our core business, Chairman clarified that this should not be mixed with the matter on Qingdao exit to be discussed after the AGM. Chairman amplified that Specialty Cement is our core business and also an extension of our core business. Our China GGBS remains our core business because we have the core competency in the production process.</p>

No.	Questions from Shareholders	Response
3	<p>The investments segment is also not doing well too. On Note 22 – Finance income and finance costs shown on page 106 of the AR2023, please explain why “the net change in fair value of financial assets” is classified under finance costs. Is this appropriate? Other companies classify this as other income. Putting under finance cost would mean interest expense.</p> <p>Besides the fair value loss of approximately S\$3 million, there is a drastic drop in dividend income to S\$917,000 in 2023 (2022: S\$6.7 million). Despite the lesser fair value loss as compared to previous year, the cash flow statement relating to purchase of other investments (on page 65 of the AR2023) was S\$17.5 million (2022: S\$10.2 million). The Company has invested more into VC investments. Who is managing the VC investments? Is investment in VC funds your core business and why is the Group investing more into this segment despite the fair value loss? I'd like to understand the rationale of doing that.</p>	<p>Group Financial Controller: On the classification of net change in fair value of financial assets, under the Singapore Financial Reporting Standards (“SFRS”), there is no compulsory requirement to classify it as a separate line item. The classification itself is acceptable under the SFRS. It is classified under finance costs due to its investment nature. To enhance the comprehension of shareholders, we could change the classification going forward.</p> <p>On the drastic drop in dividend income as compared to the previous year, the S\$6.5 million in 2022 was derived from our investments in properties in the Ho Bee Cove Turquoise project. Out of the S\$917,000 in 2023, approximately S\$600,000 was derived from the Ho Bee Cove Turquoise project too.</p> <p>Chairman: The Venture Capital (“VC”) investments is different from the normal operations. We have to commit the capital in advance and the drawdown is over a period of 3 to 5 years. Good times or bad times, there is a need to support the portfolio companies in the fund that we have invested on. If the portfolio is moving according to plan, there would be additional capital invested into the portfolio companies managed by the fund manager.</p> <p>We are the Limited Partner (LP) of the Fund and the Fund is run by the General Partner (GP). The decision of investments is in the hands of the GP. We only select GP with good track record to invest. So far, the value of the size that we have invested is above water despite the market conditions.</p> <p>Please refer to Page 23 of the AR2023 for the promising investments made by the GP of the Fund that we have invested in.</p>

No.	Questions from Shareholders	Response
4	<p>On page 94 of the AR2023, the Company incurred a loss of S\$10.6 million in Jinan Luxin Materials Co Ltd (“Luxin”) with impairment loss of S\$3.8 million and the VC marked-to market losses of about S\$3.1 million. For these two, will there be further impairment going forward?</p>	<p>Chairman: The biggest setback for Luxin is lack of raw slags to produce GGBS. To operate GGBS, they must have their own raw slags. We invested into Luxin initially with their capability to produce from their blast furnace. Over the years, they have to shut down their main plant in Jinan and diversified into Quanzhou and Rizhao. In the case of Luxin, they operate all these operations without their own slags. Without raw slags, the inventory management would become critical. The management failed to manage the inventory properly resulting in the write down of some of the inventories. Jinan is an exceptional case. As a result of these factors, we have resorted to impairment. The bleeding has been plugged. We are currently adjusting it with the market conditions. The market remains depressed at that moment in the whole of China.</p> <p>On the VC, if you traced back the last 3 years, the public tech market went through a major correction. That would have an impact on the private tech market. We are optimistic that the fair value has reached a very reasonable level. Moving forward, should there be any impairment, it would be minimal.</p> <p>Group Financial Controller: Out of the EnGro group’s loss of S\$5.6 million, S\$3.3 million was due to the revaluation of Luxin’s inventory to its net realizable value while another S\$3.8 million was due to impairment of EnGro’s cost of investment in Luxin to the estimated recoverable amount. Excluding these two impairments, EnGro group would have reported a net profit of S\$1.5 million. Also, these impairments are non-cash items. They are not expected to cause any negative impact on the Group’s cash flow.</p>
5	<p>The food and beverage business incurred losses of about S\$1.2 million. Will you review this business?</p>	<p>Chairman: The food and beverage (“F&B”) business is based in Beijing. We are left with this only outlet. In general, the consumer market in China has slowed down and impacted the business of F&B. Business remains depressed based on the current situation and we do not see any plans to invest further because this is not our core business.</p>

No.	Questions from Shareholders	Response
6	Why do you enter into this F&B business?	Chairman: Diversification is one of the strategies. Unfortunately, it did not turn out well.
7	The Company has a Share Buyback mandate. Why is the Company not buying back its shares?	Chairman: The Company's shares are thinly traded on the Stock Exchange. The Company is watching very closely. The cash is reserved for certain use in the future. With the Share Buyback mandate in place, the Company will review and use it at the appropriate time.
8	The Company's shares have been thinly traded on the Stock Exchange for a long time. Does the Board have any idea how to increase the trading activity of its shares so that the share price can adequately reflect the value of the shares. The share price is undervalued. Are there any grounds for the Board to do a thorough overview to unlock the value of the Company's share?	Chairman: This question is in the mind of the Directors as well. The share price is market driven. We are watching and taking appropriate action if required to increase the value of the Company's share.