



**EnGro Corporation Limited and its Subsidiaries**  
**Registration Number: 197302229H**

Condensed Interim Financial Information  
For the half year ended 30 June 2022

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**Condensed interim consolidated statement of profit or loss**  
**For the half year ended 30 June 2022**

	Note	<b>Group</b>		<b>Change</b>
		<b>1H2022</b>	<b>1H2021</b>	
		<b>\$'000</b>	<b>\$'000</b>	
Revenue		64,679	62,393	3.7
Other income		1,063	1,823	(41.7)
Changes in inventories of finished goods and work in progress		194	(2,094)	n.m.
Raw materials and consumables used		(50,511)	(45,599)	10.8
Depreciation of property, plant and equipment		(580)	(929)	(37.6)
Depreciation of right-of-use assets		(743)	(270)	n.m.
Amortisation of intangible assets		(40)	(36)	11.1
Staff costs		(6,345)	(9,361)	(32.2)
Impairment loss on financial assets		382	(435)	n.m.
Other expenses		(7,098)	(6,562)	8.2
<b>Results from operating activities</b>		<u>1,001</u>	<u>(1,070)</u>	n.m.
Finance income	4	5,264	13,655	(61.5)
Finance costs	4	(1,534)	(177)	n.m.
<b>Net finance income</b>		<u>3,730</u>	<u>13,478</u>	(72.3)
Share of profit of associates and joint ventures, net of tax		663	12,237	(94.6)
<b>Profit before tax</b>		<u>5,394</u>	<u>24,645</u>	(78.1)
Tax expense	5	(203)	(175)	16.0
<b>Profit for the period</b>		<u><u>5,191</u></u>	<u><u>24,470</u></u>	(78.8)
<b>Profit attributable to:</b>				
Owners of the Company		4,889	24,381	(79.9)
Non-controlling interests		302	89	n.m.
<b>Profit for the period</b>		<u>5,191</u>	<u>24,470</u>	(78.8)
<b>Earnings per share</b>				
Basic earnings per share (cents)	6	<u>4.12</u>	<u>20.55</u>	
Diluted earnings per share (cents)	6	<u>4.12</u>	<u>20.54</u>	

n.m. – not meaningful

**Condensed interim consolidated statement of comprehensive income**  
**For the half year ended 30 June 2022**

	<b>Group</b>		<b>Change</b>
	<b>1H2022</b>	<b>1H2021</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit for the period</b>	5,191	24,470	(78.8)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Net change in fair value of equity investments at fair value through other comprehensive income	(4,468)	964	n.m.
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences – foreign operations	778	84	n.m.
Share of foreign currency translation differences of associates and joint ventures	(2,456)	2,492	n.m.
Exchange differences on monetary items forming part of net investment in foreign operations	1,105	631	75.1
	(573)	3,207	n.m.
<b>Other comprehensive income for the period, net of tax</b>	(5,041)	4,171	n.m.
<b>Total comprehensive income for the period</b>	150	28,641	(99.5)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(125)	28,493	(100.4)
Non-controlling interests	275	148	85.8
<b>Total comprehensive income for the period</b>	150	28,641	(99.5)

n.m. – not meaningful

**Condensed interim statements of financial position  
As at 30 June 2022**

	Note	Group		Company	
		As at	As at	As at	As at
		30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
Property, plant and equipment	8	7,027	4,852	2,082	1,805
Subsidiaries		-	-	71,570	69,129
Intangible assets		150	189	93	120
Associates and joint ventures	9	124,783	134,903	51,649	59,943
Investment properties	10	779	-	-	-
Other investments	11	71,354	71,126	7,675	12,143
Other assets		78	78	78	78
Right-of-use assets	12	16,224	16,891	4,259	4,570
Deferred tax assets		628	739	-	-
<b>Non-current assets</b>		<b>221,023</b>	<b>228,778</b>	<b>137,406</b>	<b>147,788</b>
Other investments	11	10,274	8,521	2,546	3,549
Inventories	13	9,336	9,024	4,542	4,127
Trade and other receivables	14	38,763	34,771	33,977	30,136
Tax recoverable		517	378	-	-
Loan to a subsidiary		-	-	5,398	5,499
Cash and cash equivalents		59,778	75,930	38,976	51,249
<b>Current assets</b>		<b>118,668</b>	<b>128,624</b>	<b>85,439</b>	<b>94,560</b>
<b>Total assets</b>		<b>339,691</b>	<b>357,402</b>	<b>222,845</b>	<b>242,348</b>
<b>Equity</b>					
Share capital	15	85,270	85,270	85,270	85,270
Reserves		212,102	219,943	118,584	124,392
<b>Equity attributable to owners of the Company</b>		<b>297,372</b>	<b>305,213</b>	<b>203,854</b>	<b>209,662</b>
<b>Non-controlling interests</b>		<b>1,939</b>	<b>1,664</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>299,311</b>	<b>306,877</b>	<b>203,854</b>	<b>209,662</b>
<b>Liabilities</b>					
Lease liabilities	16	16,367	17,200	3,536	3,740
Loans and borrowings	16	3,274	3,889	3,274	3,889
Deferred tax liabilities		1,246	1,143	-	-
Provision for reinstatement costs		615	336	140	140
<b>Non-current liabilities</b>		<b>21,502</b>	<b>22,568</b>	<b>6,950</b>	<b>7,769</b>
Loans and borrowings	16	2,366	2,278	5,315	8,562
Trade and other payables	17	14,991	24,379	6,101	15,738
Lease liabilities	16	1,521	1,300	625	617
<b>Current liabilities</b>		<b>18,878</b>	<b>27,957</b>	<b>12,041</b>	<b>24,917</b>
<b>Total liabilities</b>		<b>40,380</b>	<b>50,525</b>	<b>18,991</b>	<b>32,686</b>
<b>Total equity and liabilities</b>		<b>339,691</b>	<b>357,402</b>	<b>222,845</b>	<b>242,348</b>

Condensed interim consolidated statement of changes in equity  
For the half year ended 30 June 2022

	Attributable to owners of the Company									
	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Foreign currency translation reserve	Fair value reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>										
At 1 January 2021	85,270	(40)	(59)	20	(6,217)	(995)	179,196	257,175	1,237	258,412
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	24,381	24,381	89	24,470
<b>Other comprehensive income</b>										
Foreign currency translation differences – foreign operations	-	-	-	-	78	-	-	78	6	84
Share of foreign currency translation differences of equity-accounted investees	-	-	-	-	2,439	-	-	2,439	53	2,492
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	631	-	-	631	-	631
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	964	-	964	-	964
<b>Total other comprehensive income</b>	-	-	-	-	3,148	964	-	4,112	59	4,171
<b>Total comprehensive income for the period</b>	-	-	-	-	3,148	964	24,381	28,493	148	28,641
<b>Transactions with owners, recognised directly in equity</b>										
<b>Distributions to owners</b>										
Dividend declared of 2.5 cents per share	-	-	-	-	-	-	(2,967)	(2,967)	-	(2,967)
Special dividend declared of 0.5 cents per share	-	-	-	-	-	-	(594)	(594)	-	(594)
Issue of treasury shares under share option scheme	-	(15)	59	(20)	-	-	-	24	-	24
<b>Total distributions to owners</b>	-	(15)	59	(20)	-	-	(3,561)	(3,537)	-	(3,537)
At 30 June 2021	85,270	(55)	-	-	(3,069)	(31)	200,016	282,131	1,385	283,516

Condensed interim consolidated statement of changes in equity (cont'd)  
For the half year ended 30 June 2022

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Foreign currency translation reserve	Fair value reserve	Accumulated profits			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
<b>Group</b>										
At 1 January 2022	85,270	(55)	-	-	(939)	(5,377)	226,314	305,213	1,664	306,877
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	4,889	4,889	302	5,191
<b>Other comprehensive income</b>										
Foreign currency translation differences – foreign operations	-	-	-	-	759	-	-	759	19	778
Share of foreign currency translation differences of equity-accounted investees	-	-	-	-	(2,410)	-	-	(2,410)	(46)	(2,456)
Exchange differences on monetary items forming part of net investment in foreign operations	-	-	-	-	1,105	-	-	1,105	-	1,105
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	(4,468)	-	(4,468)	-	(4,468)
<b>Total other comprehensive income</b>	-	-	-	-	(546)	(4,468)	-	(5,014)	(27)	(5,041)
<b>Total comprehensive income for the period</b>	-	-	-	-	(546)	(4,468)	4,889	(125)	275	150
<b>Transactions with owners, recognised directly in equity</b>										
<b>Distributions to owners</b>										
Dividend declared of 2.5 cents per share	-	-	-	-	-	-	(2,968)	(2,968)	-	(2,968)
Special dividend declared of 4.0 cents per share	-	-	-	-	-	-	(4,748)	(4,748)	-	(4,748)
<b>Total distributions to owners</b>	-	-	-	-	-	-	(7,716)	(7,716)	-	(7,716)
At 30 June 2022	85,270	(55)	-	-	(1,485)	(9,845)	223,487	297,372	1,939	299,311

Condensed interim consolidated statement of changes in equity (cont'd)  
For the half year ended 30 June 2022

	Attributable to owners of the Company						Total \$'000
	Share capital \$'000	Capital reserve \$'000	Reserve for own shares \$'000	Share option reserve \$'000	Fair value reserve \$'000	Accumulated profits \$'000	
<b>Company</b>							
At 1 January 2021	85,270	(40)	(59)	20	(607)	115,572	200,156
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,999	1,999
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	964	-	964
<b>Total other comprehensive income</b>	-	-	-	-	964	-	964
<b>Total comprehensive income for the period</b>	-	-	-	-	964	1,999	2,963
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distributions to owners</b>							
Dividend declared of 2.5 cents per share	-	-	-	-	-	(2,967)	(2,967)
Special dividend declared of 0.5 cents per share	-	-	-	-	-	(594)	(594)
Issue of treasury shares under share option scheme	-	(15)	59	(20)	-	-	24
<b>Total distributions to owners</b>	-	(15)	59	(20)	-	(3,561)	(3,537)
At 30 June 2021	85,270	(55)	-	-	357	114,010	199,582
At 1 January 2022	85,270	(55)	-	-	(4,989)	129,436	209,662
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	6,376	6,376
<b>Other comprehensive income</b>							
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(4,468)	-	(4,468)
<b>Total other comprehensive income</b>	-	-	-	-	(4,468)	-	(4,468)
<b>Total comprehensive income for the period</b>	-	-	-	-	(4,468)	6,376	1,908
<b>Transactions with owners, recognised directly in equity</b>							
<b>Distributions to owners</b>							
Dividend declared of 2.5 cents per share	-	-	-	-	-	(2,968)	(2,968)
Special dividend declared of 4.0 cents per share	-	-	-	-	-	(4,748)	(4,748)
<b>Total distributions to owners</b>	-	-	-	-	-	(7,716)	(7,716)
At 30 June 2022	85,270	(55)	-	-	(9,457)	128,096	203,854



**Condensed interim consolidated statement of cash flows**  
**For the half year ended 30 June 2022**

	Note	<b>Group</b>	
		<b>1H2022</b>	<b>1H2021</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit before tax		5,394	24,645
Adjustments for:			
Depreciation of property, plant and equipment		580	929
Depreciation of right-of-use assets		743	270
Amortisation of intangible assets		40	36
Dividend income	4	(4,426)	(1,132)
Gain on disposal of property, plant and equipment		(10)	-
Loss on termination on lease liabilities		21	-
(Reversal of impairment)/Impairment loss on financial assets		(382)	435
Interest income	4	(242)	(268)
Interest expense	4	276	177
Other investment income	4	(174)	(5,538)
Net change in fair value of financial assets at fair value through profit or loss		1,132	(6,352)
Share of profits of associates and joint ventures, net of tax		(663)	(12,237)
		<u>2,289</u>	<u>965</u>
Changes in:			
- Inventories		(667)	3,119
- Trade and other payables		(9,281)	(250)
- Trade and other receivables		(4,483)	(2,337)
Cash generated from operations		(12,142)	1,497
Tax paid		(161)	(101)
<b>Net cash (used in)/from operating activities</b>		<u>(12,303)</u>	<u>1,396</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(2,819)	(857)
Distributions from other investments		540	2,088
Dividends received from:			
- associates and joint ventures		33	-
- other investments		4,426	1,132
Repayment of loan from an associate		8,294	-
Interest received		242	268
Investment in a joint venture		-	-
Proceeds from disposal of:			
- other investments		1,278	7,076
- property, plant and equipment		38	-
Purchase of other investments		(7,336)	(4,184)
Purchase of intangible assets		-	(31)
<b>Net cash from investing activities</b>		<u>4,696</u>	<u>5,492</u>

**Condensed interim consolidated statement of cash flows (cont'd)**  
**For the half year ended 30 June 2022**

	<b>Group</b>	
	<b>Note</b>	<b>1H2021</b>
	<b>1H2022</b>	<b>1H2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(7,716)	(3,561)
Interest paid	(276)	(177)
Payment of lease liabilities	(682)	(785)
Proceeds from exercise of share options	-	24
Drawdown of bank loan	-	5,000
<b>Net cash (used in)/from financing activities</b>	<b>(8,674)</b>	<b>501</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(16,281)</b>	<b>7,389</b>
Cash and cash equivalents at 1 January	75,930	44,523
Effect of exchange rate fluctuations on cash held	129	59
<b>Cash and cash equivalents at 30 June</b>	<b>59,778</b>	<b>51,971</b>

**Significant non-cash transaction**

During the six months ended 30 June 2022, the Group received investment properties with an aggregate cost of \$779,000 (30 June 2021: Nil) as part of settlement plan with a trade receivable.

- (i) Cash and cash equivalents comprised:

	<b>Group</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Fixed deposits	29,436	19,032
Cash and bank balances	30,342	32,939
	<b>59,778</b>	<b>51,971</b>

## **Notes to the condensed interim consolidated financial statements**

### **1 Corporate information**

EnGro Corporation Limited (“the Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 29 International Business Park, #08-05/06 Acer Building Tower B, Singapore 609923.

These condensed interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are mainly those relating to the manufacture and sale of building materials and specialty polymers. In addition, the Company is also an investment holding company.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.4.

#### **2.2 Functional and presentation currency**

The condensed interim financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

#### **2.3 Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2021.

## 2 Basis of preparation (cont'd)

### 2.3 Use of estimates and judgements (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next interim period are included in the following notes:

- Note 11 – Valuation of financial assets measured at fair value
- Note 14 – Measurement of loss allowance for trade receivables

### 2.4 Changes in accounting policies

#### **New standards and amendments**

The accounting policies adopted and methods of computation are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except in the current financial period, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

## 3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 4 Finance income and finance costs

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income under the effective interest method on:		
- Cash and cash equivalents	178	116
- Debt securities measured at fair value through profit or loss ("FVTPL")	64	152
<b>Total interest income arising from financial assets measured at amortised cost or FVTPL</b>	<b>242</b>	<b>268</b>
Dividend income	4,426	1,132
Other investment income	174	5,538
Net change in fair value of financial assets:		
- Mandatorily measured at FVTPL – held-for-trading	126	157
- Mandatorily measured at FVTPL – others	-	6,195
Net foreign exchange gain	296	365
<b>Finance income</b>	<b>5,264</b>	<b>13,655</b>

#### 4 Finance income and finance costs (cont'd)

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial liabilities measured at amortised cost:		
- Interest expense on lease liabilities	(228)	(177)
- Interest expense on loans and borrowings	(48)	-
Net change in fair value of financial assets mandatorily measured at FVTPL – others	(1,258)	-
<b>Finance costs</b>	<b>(1,534)</b>	<b>(177)</b>
<b>Net finance income recognised in profit or loss</b>	<b>3,730</b>	<b>13,478</b>

#### 5 Tax expense

The income tax expense recognised in each interim period is based on the best estimate of the weighted-average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current tax expense</b>		
Current period	203	175
	203	175

#### 6 Earnings per share

	<b>Group</b>	
	<b>1H2022</b>	<b>1H2021</b>
Profit attributable to owners of Company (\$'000)	4,889	24,381
Weighted average number of ordinary shares (basic) ('000)	118,703	118,650
Potential ordinary shares issuable under share options ('000)	-	29
Weighted average number of ordinary shares (diluted) during the year ('000)	118,703	118,679
Basic earnings per share (cents)	4.12	20.55
Diluted earnings per share (cents)	4.12	20.54

## 7 Net assets value

	Group		Company	
	As at 30 Jun 2022 \$	As at 31 Dec 2021 \$	As at 30 Jun 2022 \$	As at 31 Dec 2021 \$
Net asset value per ordinary share at end of the financial period/year	2.51	2.57	1.72	1.77
Total number of issued shares* at the end of the financial period/year ('000)	118,703	118,703	118,703	118,703

\*There were no treasury shares as at 30 June 2022 (31 December 2021: Nil)

## 8 Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets with an aggregate cost of \$2,819,000 (30 June 2021: \$856,000) and disposed off assets amounting \$28,000 (30 June 2021: Nil).

## 9 Associates and joint ventures

During the current financial period, the Group's investments in associates and joint ventures decreased by \$10,120,000 (30 June 2021: increased by \$14,729,000) mainly due to repayment of loan from an associate, dividend received and forex losses (30 June 2020: share of profits and forex gain).

## 10 Investment properties

During the six months ended 30 June 2022, the Group received investment properties with an aggregate cost of \$779,000 (30 June 2021: Nil) as part of settlement plan with a trade receivable.

	Group	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
<b>Freehold properties</b>		
At 1 January		
Additions	790	-
Movements in exchange rates	(11)	-
At end of the financial period/year	779	-

## 11 Other investments

	Group		Company	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
<b>Non-current</b>				
Mandatorily at FVTPL:				
- Equity securities	5,704	8,390	-	-
- Venture capital funds	55,800	49,580	-	-
- Investment funds	412	604	-	-
Designated at FVOCI:				
- Equity securities	9,438	12,552	7,675	12,143
	71,354	71,126	7,675	12,143
<b>Current</b>				
Mandatorily at FVTPL:				
- Equity securities	5,334	2,734	-	-
- Debt securities	3,380	4,671	2,546	3,549
- Investment funds	1,560	1,116	-	-
	10,274	8,521	2,546	3,549
	81,628	79,647	10,221	15,692

### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values of financial assets.

When measuring the fair value of an asset, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There were no transfers of financial assets between Level 1 and Level 2 of the fair value hierarchy during the interim periods ended 30 June 2022 and 30 June 2021.

**11 Other investments (cont'd)**  
**Measurement of fair values (cont'd)**

	<b>Fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 June 2022</b>				
Financial assets at fair value through profit or loss				
- Equity securities	5,890	-	5,148	11,038
- Venture capital funds	-	-	55,800	55,800
- Debt securities	-	3,380	-	3,380
- Investment funds	-	1,972	-	1,972
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	9,438	9,438
	<u>5,890</u>	<u>5,352</u>	<u>70,386</u>	<u>81,628</u>
<b>Group</b>				
<b>31 December 2021</b>				
Financial assets at fair value through profit or loss				
- Equity securities	2,932	-	8,192	11,124
- Venture capital funds	-	-	49,580	49,580
- Debt securities	-	4,671	-	4,671
- Investment funds	-	1,720	-	1,720
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	12,552	12,552
	<u>2,932</u>	<u>6,391</u>	<u>70,324</u>	<u>79,647</u>
<b>Company</b>				
<b>30 June 2022</b>				
Financial assets at fair value through profit or loss				
- Debt securities	-	2,546	-	2,546
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	7,675	7,675
	<u>-</u>	<u>2,546</u>	<u>7,675</u>	<u>10,221</u>
<b>31 December 2021</b>				
Financial assets at fair value through profit or loss				
- Debt securities	-	3,549	-	3,549
Financial assets at fair value through other comprehensive income				
- Equity securities	-	-	12,143	12,143
	<u>-</u>	<u>3,549</u>	<u>12,143</u>	<u>15,692</u>



## 11 Other investments (cont'd)

### Level 3 reconciliation

The fair value of financial assets classified in Level 3 of the fair value hierarchy is measured using the net asset values of the venture capital funds and equity securities.

	<b>FVTPL – Venture capital funds \$'000</b>	<b>FVTPL – Equity securities \$'000</b>	<b>FVOCI – Equity securities \$'000</b>
<b>Group</b>			
At 1 January 2022	49,580	8,192	12,552
Total unrealised gains recognised in profit or loss:			
- Finance income/(costs)	1,769	(3,176)	-
Total unrealised gain recognised in other comprehensive income:			
- Net change in fair value of equity investments at FVOCI	-	-	(4,468)
Purchases	3,087	-	1,298
Settlements	(334)	-	-
Exchange movement	1,698	132	56
At 30 June 2022	55,800	5,148	9,438

	<b>FVOCI – Equity security \$'000</b>
<b>Company</b>	
At 1 January 2022	12,143
Total unrealised losses recognised in other comprehensive income:	
- Net change in fair value of equity investments at FVOCI	(4,468)
At 30 June 2022	7,675

As at the reporting date, fair values of VCFs are determined based on the latest available net asset values obtained from the fund managers of the VCFs, and where relevant, adjustments for any capital contributions and distributions. The underlying assets of the VCFs consist of assets and liabilities which are measured at fair value.

Fair value of investments in unquoted equity securities are determined by estimating the fair value of the investee's net assets.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Net asset value ("NAV")	Value of the underlying net assets	The estimated fair value would increase/decrease if NAV was higher/lower

## 12 Right-of-use assets

During the six months ended 30 June 2022, the Group had additions rights-of-use assets with an aggregate cost of \$104,000 (30 June 2021: \$940,000), offset by depreciation of \$743,000 (30 June 2021: \$270,000) and loss on early termination of \$21,000 (30 June 2021: Nil).

## 13 Inventories

	Group		Company	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
<b>At cost</b>				
Raw materials	1,206	1,182	-	-
Consumables	394	475	-	-
Work-in-progress	844	1,225	-	-
Finished goods	6,892	6,142	4,542	4,127
	9,336	9,024	4,542	4,127

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

## 14 Trade and other receivables

	Group		Company	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
Trade receivables	29,112	28,712	13,134	14,948
Non-trade amount due from subsidiaries	-	-	15,768	14,287
Non-trade amount due from joint ventures	640	1,087	39	38
Deposits	372	479	37	46
Other receivables	997	1,168	392	692
Dividends receivable from associates and joint ventures	2,877	2,937	-	-
Forward exchange contracts	463	-	463	-
Prepayments	4,302	388	4,144	125
	38,763	34,771	33,977	30,136

*Source of estimation uncertainty*

The Group maintains allowance for doubtful accounts at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgements or utilised different estimates. An increase in the Group's allowance for doubtful accounts would increase the Group's recorded operating expenses and decrease its receivables (current assets).

## 15 Share capital

	Ordinary shares			
	As at 30 Jun 2022		As at 31 Dec 2021	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<b>Issued and paid up:</b>				
As beginning and end of financial period	118,703	85,270	118,703	85,270

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

## 16 Loans and borrowings and lease liabilities

	Group		Company	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
<b>Non-current</b>				
Secured	3,284	3,907	3,274	3,889
Unsecured	16,357	17,182	3,536	3,740
	19,641	21,089	6,810	7,629
<b>Current</b>				
Secured	1,255	1,250	1,223	1,111
Unsecured	2,632	2,328	4,717	8,068
	3,887	3,578	5,940	9,179
	23,528	24,667	12,750	16,808

The bank loan bears 2% interest per annum on monthly rests.

## 17 Trade and other payables

	Group		Company	
	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
Trade payables	8,080	12,919	1,838	6,615
Accrued expenses	5,909	9,759	4,039	8,130
Other payables	1,002	1,701	224	993
	14,991	24,379	6,101	15,738

## 18 Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. Each strategic business unit offer different products or services, and are managed separately. The Group's Chief Executive Officer ("CEO") reviews internal management reports of each strategic business unit on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- Cement and building materials: Manufacture and sale of Cement, ready-mix concrete and other building materials.
- Specialty polymer: Manufacture and sale of thermosetting synthetic resin and plastic materials.
- Investments: Trading of quoted equity securities, debt securities and holding of investments in venture capital and investment funds and unquoted equity securities.
- Food and beverage: Operation of food and beverage outlets under franchise.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

### Information about reportable segments

	<b>Cement and building materials</b>	<b>Specialty polymer</b>	<b>Investments</b>	<b>Food and beverage</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and expenses</b>					
<b>30 June 2022</b>					
External revenues, representing consolidated revenue	56,912	6,949	-	818	64,679
Reportable segment profit/(loss)	3,675	489	4,083	(293)	7,954
Share of profit of associates and joint ventures	623	30	10	-	663
	4,298	519	4,093	(293)	8,617
Headquarter expenses					(2,594)
Support expenses of associates and joint ventures					(595)
Interest expense					(276)
Interest income					242
Profit before tax					5,394
Add: Tax expense					(203)
Profit for the year					5,191
Timing of revenue recognition:					
– Products transferred at a point in time	56,912	6,949	-	818	64,679

## 18 Operating segments (cont'd)

### Information about reportable segments (Cont'd)

	Cement and building materials \$'000	Specialty polymer \$'000	Investments \$'000	Food and beverage \$'000	Total \$'000
<b>Revenue and expenses</b>					
<b>30 June 2021</b>					
External revenues, representing consolidated revenue	52,928	7,774	-	1,691	62,393
Reportable segment profit/(loss)	3,600	842	12,242	213	16,897
Share of profit/(loss) of associates and joint ventures	3,861	(70)	8,446	-	12,237
	<u>7,461</u>	<u>772</u>	<u>20,688</u>	<u>213</u>	<u>29,134</u>
Headquarter expenses					(3,974)
Support expenses of associates and joint ventures					(606)
Interest expense					(177)
Interest income					268
Profit before tax					<u>24,645</u>
Add: Tax expense					(175)
Profit for the year					<u><u>24,470</u></u>
Timing of revenue recognition:					
- Products transferred at a point in time	52,928	7,774	-	1,691	62,393

	Cement and building materials \$'000	Specialty polymer \$'000	Investments \$'000	Food and beverage \$'000	Others \$'000	Total \$'000
<b>Assets and liabilities</b>						
<b>30 June 2022</b>						
Total assets for reportable segments	80,254	12,954	90,534	585	-	184,327
Investments in associates and joint ventures						124,783
Other unallocated amounts						30,581
Consolidated total assets						<u><u>339,691</u></u>
Total liabilities for reportable segments	30,086	1,925	127	1,355	-	33,493
Other unallocated amounts						6,887
Consolidated total liabilities						<u><u>40,380</u></u>

## 18 Operating segments (cont'd)

### Information about reportable segments (Cont'd)

	Cement and building materials \$'000	Specialty polymer \$'000	Investments \$'000	Food and beverage \$'000	Others \$'000	Total \$'000
<b>Assets and liabilities</b>						
<b>30 June 2021</b>						
Total assets for reportable segments	62,332	18,073	89,425	1,427	1,627	172,884
Investments in associates and joint ventures						130,195
Other unallocated amounts						15,423
Consolidated total assets						<u>318,502</u>
Total liabilities for reportable segments	19,708	4,395	1,592	2,045	7	27,747
Other unallocated amounts						7,239
Consolidated total liabilities						<u>34,986</u>
<b>Other segment information</b>						
<b>30 June 2022</b>						
Capital expenditure	2,817	2	-	-	-	2,819
Depreciation and amortisation	1,265	94	-	3	-	1,363
Impairment of financial assets	(382)	-	-	-	-	(382)
<b>30 June 2021</b>						
Capital expenditure	805	60	-	23	-	888
Depreciation and amortisation	1,145	90	-	-	-	1,235
Impairment of financial assets	435	-	-	-	-	435

## 18 Operating segments (cont'd)

### Geographical segments

The Group's operations are mainly in Singapore, Malaysia and the People's Republic of China. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	Singapore	Malaysia	People's Republic of China	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2022</b>						
External customers						
– Cement and building materials	48,533	7,038	5	1,337	-	56,912
– Specialty polymer	4,844	45	77	1,983	-	6,949
– Food and beverage	-	-	818	-	-	818
Inter-segment revenue	3,576	8	-	-	(3,584)	-
Total revenue	<u>56,953</u>	<u>7,090</u>	<u>900</u>	<u>3,320</u>	<u>(3,584)</u>	<u>64,679</u>
Total non-current assets for reportable segments*	<u>21,990</u>	<u>2,764</u>	<u>132</u>	<u>-</u>	<u>-</u>	<u>24,886</u>
Total assets for reportable segments	168,587	12,871	2,078	792	-	184,327
Investments in associates and joint ventures	17,563	-	101,214	6,006	-	124,783
Other unallocated amounts						30,581
Consolidated total assets						<u>339,691</u>
<b>30 June 2021</b>						
External customers						
– Cement and building materials	47,232	5,523	1	172	-	52,928
– Specialty polymer	5,451	232	142	1,949	-	7,774
– Food and beverage	-	-	1,691	-	-	1,691
Inter-segment revenue	3,097	53	-	-	(3,150)	-
Total revenue	<u>55,780</u>	<u>5,808</u>	<u>1,834</u>	<u>2,121</u>	<u>(3,150)</u>	<u>62,393</u>
Total non-current assets for reportable segments*	<u>8,468</u>	<u>1,844</u>	<u>162</u>	<u>-</u>	<u>-</u>	<u>10,474</u>
Total assets for reportable segments	147,399	14,354	7,237	-	-	168,990
Investments in associates and joint ventures	25,340	-	98,016	6,839	-	130,195
Other unallocated amounts						19,317
Consolidated total assets						<u>318,502</u>



## **19 Capital commitments**

As at half year ended 30 June 2022, the Group is committed to incur \$20,106,000 (31 December 2021: \$15,351,000) in respect of additional investments in VCFs and \$4,378,000 (31 December 2021: \$6,569,000) in respect of purchase of plant and equipment.

## **20 Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX**

### **7.2**

#### **1 Review**

The condensed consolidated statements of financial position of EnGro Corporation Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

#### **2 Review of group performance**

##### **2.1 Statement of profit or loss**

The Group's revenue grew 3.7% to \$64.7 million in 1H 2022 as compared to 1H 2021, mainly due to recovery of construction activities in Singapore and Malaysia.

The Group recorded a profit after tax of \$5.2 million in 1H 2022, a 78.8% drop compared to 1H 2021, due to absence of gains from VC investments as well as property development.

Most of our GGBS joint ventures (JVs) in China recorded lower performance due to China's on-going zero-COVID policy and extended property market weakness.

Our key operating segments recorded lower performance due to inflation resulting in higher raw material costs and operating cost.

##### **2.2 Statement of financial position**

Investment in associates and joint ventures decreased by \$10.1 million attributable to repayment loan of \$8.3 million and foreign exchange losses of \$2.5 million due to weaken of RMB against SGD, partially offset by share of profits of \$0.7 million for 1H 2022.

Net increase of \$6.4 million in other investments was a result of additional investments of \$7.3 million and fair value gain of \$0.9 million, offset by disposal of investments of \$1.3 million, as well as cash distributions of \$0.5 million received from venture capital funds.

Trade and other receivables increased by \$4.0 million due to higher revenue in 1H 2022 and advance payment of purchase material.

The details of cash and cash equivalents are elaborated in consolidated statement of cash flows.

Lease liabilities decreased by \$0.6 million due to repayment of lease liabilities of \$0.7 million, offset by new lease liabilities of \$0.1 million.

Trade and other payables decreased by \$9.4 million mainly due to timing of payment to suppliers.

## **2 Review of Group performance (cont'd)**

### **2.3 Statement of cash flows**

Net cash used in operating activities in 1H 2022 was \$12.3 million, arising largely from trade and other payables due to timing of payments to suppliers.

Net cash inflow of \$4.7 million from investing activities arising from repayment loan from associates and joint ventures of \$8.3 million and other investments of \$4.4 million, proceeds from disposal of other investments of \$1.3 million, and cash distribution from other investments of \$0.5 million. These were partially offset by cash used for acquisition of other investments of \$7.3 million, property, as well as plant and equipment of \$2.8 million.

Net cash used in financing activities of \$8.7 million, arising from dividend payment \$7.7 million and payment of lease liabilities of \$1.0 million.

The cash and cash equivalents as at end of 1H 2022 was \$60.0 million, slightly increase compared to 1H 2021.

## **3 Changes in share capital**

### **3.1 Changes in share capital since the end of the previous period reported on:**

	<b>Number of Shares</b>
Issued share capital of the Company as at 31 December 2021	118,702,500
Issued share capital of the Company as at 30 June 2022	118,702,500
There were no treasury shares held by the Company as at 30 June 2022 (As at 31 December 2021: Nil). There was no sale, transfer, disposal, cancellation and use of treasury shares during the six months ended 30 June 2022.	

### **3.2 Total number of issued shares excluding treasury shares**

	<b>As at 30 Jun 2022</b>	<b>As at 31 Dec 2021</b>
Total number of issued shares excluding treasury shares	118,702,500	118,702,500

### 3 Changes in share capital (cont'd)

#### 3.3 Treasury shares

	<b>Number of shares</b>	
	<b>for the period ended</b>	
	<b>30 Jun 2022</b>	<b>31 Dec 2021</b>
<b>Group and Company</b>		
As at beginning of the period/year	-	64,200
Purchase of treasury shares	-	55,800
Treasury shares transferred on exercise of the share option	-	(120,000)
As at end of the period/year	-	-

### 4 Prospect statement

**Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Actual results for 1H 2022 were better than expected attributable to dividends from Turquoise project in Sentosa. Despite uncertainty from JVs in China, the Group is expected to remain profitable for the current financial year.

### 5 Outlook

**A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Singapore building and construction sector experienced several challenges amidst the global pandemic, and further exacerbated by supply chain disruption which exerted pressures on cost of raw materials, logistics, energy and labour. The higher costs have resulted in margin squeeze and would affect the performance of key operating segments going forward.

While China achieved GDP growth of 2.5% in the 1H2022, it was China's weakest economic performance and way below the 5.5% annual growth target. The zero-COVID policy caused significant uncertainty for businesses and dampened investor sentiments. Our GGBS JVs in China are expecting poorer performance in 2022.

## **6 Dividends**

- (a) Current financial period reported on**  
No
- (b) Corresponding period of the immediate preceding financial year**  
No
- (c) Date payable**  
Not applicable
- (d) Books closure date**  
Not applicable
- (e) If no dividend has been declared/ recommended, a statement to that effect and the reason for the decision**  
No dividend has been declared/recommendeded for the current financial period. Our current policy is to pay annual dividend.

## **7 Interested person transactions**

The Company does not have a shareholders' mandate for interested person transactions.

## **8 Undertaking pursuant to Rule 720 (1)**

The Company confirms that the undertakings under Rule 720(1) of the SGX-ST Listing Manual have been obtained from all its directors and executive officers.

## **9 Confirmation by the Board**

We, TAN CHENG GAY and TAN YOK KOON being two of the Directors of EnGro Corporation Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

TAN CHENG GAY  
Chairman and CEO

TAN YOK KOON  
Director

### **BY ORDER OF THE BOARD**

Joanna Lim  
Company Secretary  
11 August 2022