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

**RESPONSE TO SGX QUERY**

Further to the announcement of EnGro Corporation Limited ("Company") on the Full Yearly Results released on 24 February 2023, and in response to the query by SGX in its electronic mail dated 1 March 2023, the Company wishes to respond to the query as follow:

**SGX Query 1:**

It is noted that the Company has a net cash outflow from operating activities of $5.2m and a net profit of $1.4m for the financial year ended 31 December 2022. Please explain why the Company is unable to generate net cash inflow from its operating activities, despite the Company's net profit position for the financial year.

**Company's response:**

The Company has a net cash outflow from its operating activities, due to payments of (1) trade purchases committed in December 2021 to fulfil additional demand from customer; and (2) higher bonus payout accrued for the extraordinary performance achieved in 2021.

**BY ORDER OF THE BOARD**
ENGRO CORPORATION LIMITED

3 March 2023