

ENGRO CORPORATION LTD
(Registration No: 197302229H)

CHANGE IN SHAREHOLDING IN SUBSIDIARY

The Board of Directors (the “Board”) of EnGro Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the change in shareholding in its indirect wholly-owned subsidiary, Wuhan VCEM Technology Development Company Limited (“**Wuhan VCEM**”), held through Shanghai VCEM Commercial Co Ltd (“**Shanghai VCEM**”) both incorporated in the People’s Republic of China.

Wuhan VCEM has offered a joint venture partner (the “**JV Partner**”) and the JV Partner has agreed to take up 51% stake in Wuhan VCEM via capital injection in the form of software copyright (the “**Transaction**”), the value of which having been agreed upon between parties on a willing-buyer and willing-seller basis.

Wuhan VCEM is in the business of trading, wholesale and distribution of building materials. The Transaction is intended to re-position Wuhan VCEM to pursue extended business opportunities of providing enterprise software solutions to the China Specialty Cement market, in which the Group has established a significant presence over the years.

Wuhan VCEM shall have an enlarged registered and paid up share capital of RMB16,959,183.67 and after the admission of the new partner, the Company’s shareholding in Wuhan VCEM held through Shanghai VCEM will be adjusted to 49%, thereby making it an associated company of the Group.

The Transaction is not expected to have any significant impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2019.

None of Directors or controlling shareholders or the substantial shareholders of the Company has any interest, direct or indirect, in the above Transaction, other than through their respective shareholdings in the Company.

By Order of the Board

Joanna Lim
Company Secretary
18 June 2019