



## **ENGRO CORPORATION LIMITED**

(Registration no: 197302229H)

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### **RESPONSE TO SGX QUERIES**

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The Board of Directors (the “Board”) of EnGro Corporation Limited (the “Company”) refers to the queries from the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 March 2019 regarding the “Divestment of Entire 30% Equity Interest in HBS Investments Pte Ltd” (the **Disposal**) and wishes to respond to the queries as follows:

#### **SGX Query 1:**

We refer to EnGro Corporation Limited’s (“**EnGro’s**” and/or the “**Company’s**”) announcement dated 1 March 2019, titled “Divestment of Entire 30% Equity Interest in HBS Investments Pte Ltd” (the **Disposal**). We adopt the abbreviations in EnGro’s announcement. On 1 March 2019, EnGro announced that it had sold its entire 30% equity interest in HBS to HBL. We note that EnGro’s controlling shareholder, Mr Chua Thian Poh, is also HBL’s Chairman and controlling shareholder holding more than 30% of HBL. We draw the Company’s attention to Chapter 9 of the Listing Rules on “Interested Person Transactions”. Pursuant to Chapter 9, HBL is an “interested person” as HBL is an associate of Mr Chua. Hence, the Disposal is an “interested person transaction” or “**IPT**” which falls under the provisions of Chapter 9 of the Listing Manual. Please confirm whether the percentage of the IPT, in aggregate with other IPTs conducted with the same interested person exceeds 3% of the latest audited NTA of the company and if so, please disclose the details of the IPTs, as required under Listing Rule 905.

#### **Company’s response**

The percentage of the IPT does not exceed 3% of the latest announced NTA of the Company.

#### **SGX Query 2**

We note that the consideration sum of S\$2.17 million was “arrived at on a willing-seller and willing-buyer basis”. Please elaborate on the bases on which the consideration was arrived at. To also confirm whether any valuation was conducted in respect of the Disposal. If not, please explain how the value of the Disposal shares was arrived at.

#### **Company’s response**

The consideration sum of S\$2.17 million was arrived at on a willing-seller and willing-buyer basis after taking into account the valuations conducted by independent valuers engaged by the Company and HBL respectively.

### **SGX Query 3**

Based on HBS management accounts on 1 March 2019, the consolidated NTA value of HBS was approximately S\$3,208,840. Please clarify whether this NTA value was attributable to 100% equity interest of HBS or the 30% equity interest in HBS that the Company owned prior to the disposal. Please also provide details on how the Board assessed whether the consideration payable to the Company was fair and/or reasonable.

### **Company's response**

The NTA of S\$3,208,840 was attributable to 100% equity interest of HBS.

### **SGX Query 4**

Please provide details and elaborate on the Company's reasons for the Disposal of HBS and whether or not the Company gains any benefit(s).

### **Company's response**

The property development project was completed in year 2000 and was largely sold except for two units of apartment which are leased out. Divestment of the non-controlling interest allows the Company to unlock the gain in the investment.

### **SGX Query 5**

Please provide the Audit Committee's views and/or confirmation on whether the Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

### **Company's response**

The Audit Committee of the Company has reviewed the Disposal and is of the view that the Disposal is transacted on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

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

Joanna Lim  
Company Secretary  
7 March 2019