

ENGRO CORPORATION LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 197302229H

FURTHER ANNOUNCEMENT IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN QINGDAO EVERGREEN MATERIALS AND TECHNOLOGIES CO LTD

The Board of Directors (“**Board**”) of EnGro Corporation Limited (“**Company**”) refers to the announcement dated 18 April 2024 in respect of the entry by the Company, through its 80% owned subsidiary, EnGro (Asia) Private Limited (“**EAPL**”), into a sale and purchase agreement with Qingdao Special Steel Co., Ltd (f.k.a. Qingdao Iron & Steel Group) (“**Purchaser**”) in relation to the disposal of the shares representing 43% of the registered capital of Qingdao Evergreen Materials and Technologies Co Ltd (“**QEMTCL**”) to the Purchaser (the “**Announcement**”).

Unless otherwise defined, all capitalised terms and reference used herein shall bear the same meaning ascribed to them in the Announcement.

The Company wishes to emphasise that, as mentioned in Section 7.1(c) of the Announcement, based on the aggregate of the Dividend received and the Consideration to be received of RMB65,000,000 (equivalent to approximately S\$12,090,774), the Disposal would result in an approximately 117% return on the Company’s original investment cost in QEMTCL of S\$5,583,808. The joint venture in QEMTCL has been mutually beneficial to both EAPL and the Purchaser (collectively, the “**Parties**”) and the Disposal, after protracted discussions, was the best possible outcome under the circumstances for the Parties.

The Company would like to clarify any misperception by stating that the deadline for SPA signing by mid-April 2024 if not met would trigger a re-application of approval process within CITIC likely to result in an indefinite delay to the disposal with consequences.

It is stated in Section 3.2 of the Announcement that the Consideration was arrived at by agreement between the Parties on a willing buyer, willing seller basis. This reaffirms the principles of mutual respect and mutual understanding that the Company and the Purchaser share, and their strong commitment to transparent and fair business practices even as EAPL exits the joint venture arrangement. While it was decided that EAPL will be disposing of its stake in QEMTCL, the Company throughout its protracted discussions with the Purchaser, has agreed upon the Consideration predicated on preserving its value in the joint venture arrangement, thereby enhancing value to the Shareholders.

The Company wishes to assure all Shareholders that both EAPL and the Purchaser had navigated the negotiation process for the Disposal with professionalism, mutual respect and cooperation. The Board commends the Parties for their professionalism and commitment to fair dealings throughout this process.

The Company will make further announcements on the Disposal as appropriate.

By Order of the Board

Joanna Lim
Company Secretary
22 April 2024