



## **ENGRO CORPORATION LIMITED**

(Registration no: 197302229H)

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### **ANNOUNCEMENT PURSUANT TO RULE 703 OF THE LISTING MANUAL – PROFIT GUIDANCE IN RELATION TO THE GROUP’S FINANCIAL PERFORMANCE FOR FY2023**

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Pursuant to Rule 703 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “Listing Manual”), the Board of Directors of EnGro Corporation Limited (the “Company”) together with its subsidiaries (the “Group”) wish to inform that based on a preliminary review of the unaudited consolidated results of the Group and the information currently available to the Company, the Group is expected to report a net loss for 2H2023 and FY2023.

#### **Specialty Cement Business**

In 1H2023 interim results announcement, the Group guided that China’s domestic economy remains weak. It continues to face downward pressure from weak domestic demand and a struggling property sector. Resulting from a re-valuation of slags inventory as at 31 December 2023 to reflect reduction in its net realizable value, a non-cash impairment of inventory for Jinan Luxin Materials Co., Ltd. group of entities was duly carried out.

The weak real estate and related sectors have yet to recover despite government support. The outlook for the China Specialty Cement Business remains uncertain.

#### **Investments**

Our venture capital and direct investments have recorded an unrealized fair value loss due to the latest portfolio valuation reports issued by respective fund managers and mark-to-market adjustment, both being non-cash items.

#### **Food and Beverage (F&B) Business**

The Group decided to cease the operation of its poor performing store, including the write-off of related capital expenditure.

The Group’s other core businesses remain intact and resilient, underpinned by its strong balance sheet. The Group anticipates a positive cash flow from its operations for FY2023.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bankers, solicitors, accountants or other professional advisors.

On behalf of the Board  
EnGro Corporation Limited

Tan Cheng Gay  
Chairman and Chief Executive Officer

Date: 29 January 2024