



**ENGRO CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore)  
Co. Reg. No. 197302229H

**UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

**1(a) CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>					
	<b>3Q2016</b>	<b>3Q2015</b>	<b>Change</b>	<b>YTD2016</b>	<b>YTD2015</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>35,717</b>	<b>40,850</b>	(12.6)	<b>110,153</b>	<b>137,462</b>	(19.9)
Changes in inventories of finished goods and work-in-progress	617	3,884	(84.1)	1,518	(287)	n.m.
Raw materials	(28,140)	(35,279)	20.2	(84,468)	(107,084)	21.1
(Loss)/ gain on disposal of property, plant and equipment	(91)	39	n.m.	320	116	n.m.
(Loss)/ gain on disposal of investments	(3)	45	n.m.	3,472	56	n.m.
Investment income	99	1	n.m.	217	107	n.m.
Interest income	111	69	60.9	762	142	n.m.
Dividend income	48	284	(83.1)	215	447	(51.9)
Other income	482	950	(49.3)	2,082	4,747	(56.1)
Exchange gain/ (loss)	539	1,181	(54.4)	(1,255)	1,177	n.m.
Allowance for doubtful debts and bad debts written off, net	(421)	-	n.m.	(421)	32	n.m.
Depreciation of property, plant and equipment	(1,167)	(1,136)	(2.7)	(3,344)	(3,635)	8.0
Amortisation of intangible assets	(17)	-	n.m.	(24)	-	n.m.
Impairment loss on property, plant and equipment	-	(537)	n.m.	-	(1,540)	n.m.
Allowance for impairment on investments	(96)	(800)	88.0	(1,163)	(813)	(43.1)
Net change in fair value of financial assets held for trading	1,099	(648)	n.m.	(78)	(289)	73.0
Staff costs	(3,659)	(4,278)	14.5	(11,038)	(12,964)	14.9
Rental expenses	(706)	(792)	10.9	(2,234)	(2,123)	(5.2)
Other expenses	(4,502)	(5,329)	15.5	(13,554)	(17,243)	21.4
Interest expense	(111)	(106)	(4.7)	(335)	(319)	(5.0)
<b>(Loss)/ profit before share of profit of associates and joint ventures</b>	<b>(201)</b>	<b>(1,602)</b>	<b>(87.5)</b>	<b>825</b>	<b>(2,011)</b>	<b>n.m.</b>
Share of profit/ (loss) of associates and joint ventures, net of tax	1,780	(635)	n.m.	3,218	543	n.m.
<b>Profit/ (loss) before tax</b>	<b>1,579</b>	<b>(2,237)</b>	<b>n.m.</b>	<b>4,043</b>	<b>(1,468)</b>	<b>n.m.</b>
Tax expense	(116)	(64)	(81.3)	(704)	(543)	(29.7)
<b>Profit/ (loss) for the period</b>	<b>1,463</b>	<b>(2,301)</b>	<b>n.m.</b>	<b>3,339</b>	<b>(2,011)</b>	<b>n.m.</b>
<b>Attributable to:</b>						
Equity holders of the Company	1,498	(2,252)	n.m.	3,194	(1,921)	n.m.
Non-controlling interests	(35)	(49)	(28.6)	145	(90)	n.m.
<b>Profit/ (loss) for the period</b>	<b>1,463</b>	<b>(2,301)</b>	<b>n.m.</b>	<b>3,339</b>	<b>(2,011)</b>	<b>n.m.</b>

n.m. - not meaningful

1(b) **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>					
	<b>3Q2016</b>	<b>3Q2015</b>	<b>Change</b>	<b>YTD2016</b>	<b>YTD2015</b>	<b>Change</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit/ (loss) for the period</b>	1,463	(2,301)	n.m.	3,339	(2,011)	n.m.
<b>Other comprehensive income:</b>						
<b>Items that are or maybe reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences for foreign operations	744	2,371	(68.6)	(4,449)	2,591	n.m.
Exchange differences on monetary items forming part of the net investment	493	2,167	(77.2)	(1,389)	2,758	n.m.
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	99	800	n.m.	(2,309)	813	n.m.
Net change in fair value of available-for-sale financial assets	(388)	(203)	(91.1)	(2,291)	1,069	n.m.
Other comprehensive income for the period, net of tax	948	5,135	(81.5)	(10,438)	7,231	n.m.
<b>Total comprehensive income for the period</b>	<b>2,411</b>	<b>2,834</b>	<b>(14.9)</b>	<b>(7,099)</b>	<b>5,220</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	2,436	2,844	(14.3)	(7,170)	5,310	n.m.
Non-controlling interests	(25)	(10)	150.0	71	(90)	n.m.
	<b>2,411</b>	<b>2,834</b>	<b>(14.9)</b>	<b>(7,099)</b>	<b>5,220</b>	<b>n.m.</b>

n.m. - not meaningful

1(c) **EARNINGS PER ORDINARY SHARE (EPS)**

	<b>GROUP</b>		<b>GROUP</b>	
	<b>3Q2016</b>	<b>3Q2015</b>	<b>YTD2016</b>	<b>YTD2015</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
<b>Earnings per ordinary shares profit/ (loss) attributable to equity holders of the Company:</b>				
(i) Based on weighted average number of ordinary shares in issue	1.26	(1.90)	2.69	(1.62)
(ii) On a fully diluted basis	1.26	(1.90)	2.69	(1.62)

1(d) **BALANCE SHEETS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30 Sept 2016</b>	<b>31 Dec 2015</b>	<b>30 Sept 2016</b>	<b>31 Dec 2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
Property, plant and equipment	13,834	15,199	3,048	2,948
Subsidiaries	-	-	46,330	47,333
Intangible assets	304	328	-	-
Associates and joint ventures	97,233	101,007	60,555	60,243
Other investments	16,514	21,914	1,217	1,217
Other assets	158	172	159	172
Amounts due from associates and a joint venture	1,018	1,607	-	-
Deferred tax assets	29	29	-	-
<b>Non-current assets</b>	<b>129,090</b>	<b>140,256</b>	<b>111,309</b>	<b>111,913</b>
Other investments	20,849	23,611	-	-
Inventories	13,609	13,725	7,017	8,170
Trade and other receivables	38,658	51,580	46,804	67,135
Loan to a subsidiary	-	-	4,888	7,498
Cash and cash equivalents	43,310	33,621	28,264	10,992
<b>Current assets</b>	<b>116,426</b>	<b>122,537</b>	<b>86,973</b>	<b>93,795</b>
<b>TOTAL ASSETS</b>	<b>245,516</b>	<b>262,793</b>	<b>198,282</b>	<b>205,708</b>
<b>Equity</b>				
Share capital	85,270	85,270	85,270	85,270
Reserves	127,958	138,181	91,097	95,129
<b>Equity attributable to owners of the Company</b>	<b>213,228</b>	<b>223,451</b>	<b>176,367</b>	<b>180,399</b>
Non-controlling interests	134	62	-	-
<b>Total equity</b>	<b>213,362</b>	<b>223,513</b>	<b>176,367</b>	<b>180,399</b>
<b>LIABILITIES</b>				
Loans and borrowings	7,189	7,291	300	433
Deferred tax liabilities	712	655	-	-
<b>Non-current liabilities</b>	<b>7,901</b>	<b>7,946</b>	<b>300</b>	<b>433</b>
Loans and borrowings	3,556	4,440	13,612	11,867
Trade and other payables	20,264	26,685	8,003	13,009
Current tax liabilities	433	209	-	-
<b>Current liabilities</b>	<b>24,253</b>	<b>31,334</b>	<b>21,615</b>	<b>24,876</b>
<b>TOTAL LIABILITIES</b>	<b>32,154</b>	<b>39,280</b>	<b>21,915</b>	<b>25,309</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>245,516</b>	<b>262,793</b>	<b>198,282</b>	<b>205,708</b>

**ANALYSIS OF BALANCE SHEETS**

Other investments decreased by \$8.2 million due to disposal of investment of \$6.7 million and fair value movements of \$2.5 million on available-for-sale financial assets, offset by capital calls of \$1.1 million.

Trade and other receivables decreased by \$12.9 million due to slowing down in sales and refund of loan from a joint venture.

Loans and borrowings decreased by \$1.0 million due to settlement of short-term borrowings and finance liabilities.

Trade and other payables decreased by \$6.4 million due to slow down in raw material purchase in line with weaker demand particularly in Singapore, and settlement of amount owing to a related party.

1(e) **GROUP BORROWINGS**

	As at 30 Sept 2016 \$'000	As at 31 Dec 2015 \$'000
<b>Amount repayable in one year</b>		
Secured	2,343	2,569
Unsecured	1,213	1,871
	<b>3,556</b>	<b>4,440</b>
<b>Amount repayable after one year</b>		
Secured	7,189	7,291
Unsecured	-	-
	<b>7,189</b>	<b>7,291</b>
<b>Total</b>	<b>10,745</b>	<b>11,731</b>

**Details of any collateral**

- a) The Group's banking facilities are unsecured  
b) The hire purchase facilities of the Group are secured by the Company and its subsidiaries' plant and machinery and motor vehicles.

1(f) **NET ASSET VALUE**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>3Q2016</b>	<b>3Q2015</b>	<b>3Q2016</b>	<b>3Q2015</b>
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net asset value per ordinary share at end of the financial period/year	1.80	1.94	1.49	1.55

2 **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016**

	<b>GROUP</b>	
	<b>3Q2016</b>	<b>3Q2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit/ (loss) before tax	1,579	(2,237)
Adjustments for:		
Amortisation of intangible asset	17	-
Depreciation of property, plant and equipment	1,167	1,136
Dividend income	(48)	(284)
Loss on disposal of:		
- investments	3	(45)
- property, plant and equipment	91	(39)
Impairment losses on doubtful receivables	421	-
Impairment losses on available for sale financial assets	97	800
Impairment loss on other assets	14	-
Impairment losses on property, plant and equipment	-	537
Interest expense	111	106
Interest income	(111)	(69)
Net change in fair value of financial assets at fair value through profit or loss	(1,099)	648
Share of (profit)/ loss of associates and joint ventures, net of tax	(1,780)	635
<b>Operating profit before working capital changes</b>	<b>462</b>	<b>1,188</b>
Changes in working capital:		
Inventories	722	(6,812)
Trade and other payables	(96)	1,258
Trade and other receivables	3,477	4,496
<b>Net cash generated from operating activities</b>	<b>4,565</b>	<b>130</b>
Tax paid	(56)	(150)
<b>Net cash generated from/ (used in) operating activities</b>	<b>4,509</b>	<b>(20)</b>
<b>Cash flows from investing activities</b>		
Distribution from other investments	71	59
Dividends received from:		
- other investments	48	284
- associates and joint ventures	1,283	-
Interest received	-	69
Loan to a joint venture	-	(210)
Proceeds from disposal of:		
- other investments	348	2,893
- property, plant and equipment	-	41
Purchase of other investments	(720)	(3,225)
Purchase of property, plant and equipment	(151)	(392)
Repayment of loan from a joint venture	6,503	-
<b>Net cash generated from/ (used in) investing activities</b>	<b>7,382</b>	<b>(481)</b>
<b>Cash flows from financing activities</b>		
Dividends paid by the Company	-	(2,967)
Interest paid	(111)	(106)
Proceeds from short-term borrowings	-	5,000
Repayment of borrowings	(5,620)	-
Repayment of finance lease liabilities	(592)	(763)
Repurchase of own shares	(120)	-
<b>Net cash (used in)/ generated from financing activities</b>	<b>(6,443)</b>	<b>1,164</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,448</b>	<b>663</b>
Cash and cash equivalents at beginning of period	37,856	23,241
Effect of exchange rate fluctuations on cash held	6	(82)
<b>Cash and cash equivalents at end of the period</b>	<b>43,310</b>	<b>23,822</b>

**2 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016 (cont'd)**

**ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS**

Net cash generated from operating activities of \$4.5 million in 3Q2016. This was largely due to decrease in trade and other receivables balance and inventories.

Net cash generated from investing activities of \$7.4 million in 3Q2016 was attributed to the refund of loan from a joint venture, proceeds from disposal of other investments and dividend from joint venture.

Repayment of borrowings and finance lease liabilities of \$6.4 million made up bulk of net cash used in financing activities in 3Q2016.

The cash and cash equivalents as at end 3Q2016 was \$43.3 million, \$19.5 million higher than 3Q2015.

3 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

	Share capital	Capital reserve	Reserve for own shares	Share option reserve	Foreign currency translation reserve	Fair value reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>										
At 1 July 2015	85,270	(21)	(20)	168	1,436	9,410	134,175	230,418	99	230,517
<b>Total comprehensive income for the period</b>										
Loss for the period	-	-	-	-	-	-	(2,252)	(2,252)	(49)	(2,301)
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	-	-	2,332	-	-	2,332	39	2,371
Exchange differences on monetary items forming part of the net investment	-	-	-	-	2,167	-	-	2,167	-	2,167
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	800	-	800	-	800
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	(203)	-	(203)	-	(203)
Total comprehensive income	-	-	-	-	4,499	597	-	5,096	39	5,135
<b>Total comprehensive income for the period</b>										
	-	-	-	-	4,499	597	(2,252)	2,844	(10)	2,834
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Final one-tier dividend declared of 3 cents per share	-	-	-	-	-	-	(3,561)	(3,561)	-	(3,561)
Total transactions with owners	-	-	-	-	-	-	(3,561)	(3,561)	-	(3,561)
At 30 September 2015	85,270	(21)	(20)	168	5,935	10,007	128,362	229,701	89	229,790
At 1 July 2016	85,270	(45)	-	154	(3,811)	5,616	123,728	210,912	159	211,071
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	1,498	1,498	(35)	1,463
<b>Other comprehensive income</b>										
Foreign currency translation differences for foreign operations	-	-	-	-	734	-	-	734	10	744
Exchange differences on monetary items forming part of the net investment	-	-	-	-	493	-	-	493	-	493
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	-	-	-	99	-	99	-	99
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	(388)	-	(388)	-	(388)
Total other comprehensive income	-	-	-	-	1,227	(289)	-	938	10	948
<b>Total comprehensive income for the period</b>										
	-	-	-	-	1,227	(289)	1,498	2,436	(25)	2,411
<b>Contributions by and distributions to owners</b>										
Own shares acquired	-	-	(120)	-	-	-	-	(120)	-	(120)
Total transactions with owners	-	-	(120)	-	-	-	-	(120)	-	(120)
At 30 September 2016	85,270	(45)	(120)	154	(2,584)	5,327	125,226	213,228	134	213,362

3 **STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016** (cont'd)

	Share capital S\$'000	Capital reserve S\$'000	Reserve for own shares S\$'000	Share option reserve S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>Company</b>						
<b>At 1 July 2015</b>	<b>85,270</b>	<b>(21)</b>	<b>(20)</b>	<b>166</b>	<b>98,865</b>	<b>184,260</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	3,823	3,823
<b>Other comprehensive income</b>						
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,823</b>	<b>3,823</b>
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Final one-tier dividend declared of 3 cents per share	-	-	-	-	(3,561)	(3,561)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,561)</b>	<b>(3,561)</b>
<b>At 30 September 2015</b>	<b>85,270</b>	<b>(21)</b>	<b>(20)</b>	<b>166</b>	<b>99,127</b>	<b>184,522</b>
<b>At 1 July 2016</b>						
<b>At 1 July 2016</b>	<b>85,270</b>	<b>(45)</b>	<b>-</b>	<b>154</b>	<b>89,389</b>	<b>174,768</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	1,719	1,719
<b>Other comprehensive income</b>						
Total other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,719</b>	<b>1,719</b>
<b>Contributions by and distributions to owners</b>						
Own shares acquired	-	-	(120)	-	-	(120)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(120)</b>	<b>-</b>	<b>-</b>	<b>(120)</b>
<b>At 30 September 2016</b>	<b>85,270</b>	<b>(45)</b>	<b>(120)</b>	<b>154</b>	<b>91,108</b>	<b>176,367</b>



**3(a) CHANGES IN COMPANY'S SHARE CAPITAL**

Changes in share capital since the end of the previous period reported on:

	<u>Number of Shares</u>
Issued share capital of the Company (excluding treasury shares) as at 31 December 2015	<u>118,627,500</u>
Issued share capital of the Company (excluding treasury shares) as at 30 September 2016	<u>118,568,300</u>

There were 134,200 treasury shares held by the Company as at 30 September 2016 (30 September 2015: 19,000), which has been excluded in the number of issued ordinary shares stated above.

As at 30 September 2016, options to subscribe to 1,087,500 ordinary shares remained unexercised (30 September 2015: 1,232,500 ordinary shares).

**3(b) TOTAL NUMBER OF ISSUED SHARES EXCLUDING TREASURY SHARES.**

	<u>As at 30 Sept 2016</u>	<u>As at 31 Dec 2015</u>
Total number of issued shares excluding treasury shares	<u>118,568,300</u>	<u>118,627,500</u>

**3(c) TREASURY SHARES**

<u>Group and Company</u>	<u>Number of shares for the quarter ended</u>	
	<u>30 Sept 2016</u>	<u>30 Sept 2015</u>
As at beginning of the quarter	-	19,000
Additions	<u>134,200</u>	<u>-</u>
As at end of the quarter	<u>134,200</u>	<u>19,000</u>

**4 AUDIT**

These figures have not been audited or reviewed by the Company's auditors.

**5 AUDITORS' REPORT**

Not applicable.

**6 ACCOUNTING POLICIES**

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect on or after 1 January 2016, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements for the financial year ended 31 December 2015.

**7 CHANGES IN ACCOUNTING POLICIES**

There are no changes to the accounting policies.

**8 REVIEW OF GROUP PERFORMANCE**

The Group reported revenue of \$35.7 million for 3Q2016, a decline of 12.7% from the \$40.9 million in 3Q2015, due to softer demand and intense competition for the Integral Cement and Ready-Mix Concrete business in Singapore. The decline was partially offset by higher revenue from the Specialty Polymer business which is experiencing strong demand from China.

Despite lower overall revenue, the Group reported a net profit after tax of \$1.5 million for 3Q2016 against a loss of \$2.3 million in 3Q2015 as a result of the following:

- a) Recovery in infrastructure construction activities in China has increased sales and improved margin for our China Joint Ventures in 3Q2016.
- b) The Group's investments segment reported a fair value gain in 3Q2016 arising from the recovery of stock market.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Actual results were in line with prospect statement made in 2Q2016 announcement.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Per estimates released by the Ministry of Trade and Industry, Singapore economy grew by 0.6% in 3Q2016 compared to same quarter a year ago. This is the slowest growth registered since the 2009 global financial crisis. Growth in the construction sector slowed marginally to 2.5% on a year-on-year basis. The slowdown was due to sharp decline in private sector construction.

Weak economic environment and decline in private sector construction activities in Singapore are expected to impact the Group's performance.

China maintained its GDP growth of 6.7% in the third quarter, similar to previous two quarters and within its target of between 6.5 to 7.0% for 2016. Recovery of construction activity in several cities would benefit our joint ventures.

**11 DIVIDENDS**

(a) **Current financial period reported on**  
No

(b) **Corresponding period of the immediately preceding financial year**  
No

(c) **Date payable**  
Not applicable

(d) **Books closure date**  
Not applicable

**12 If no dividend has been declared/ recommended, a statement to that effect**

No dividend has been declared/ recommended for the current financial period.

**13 INTERESTED PERSON TRANSACTIONS**

The Company does not have a shareholders' mandate for interested person transactions.  
There is no interested person transactions conducted during 3rd quarter of financial year 2016.

**14 UNDERTAKINGS PURSUANT TO RULE 720 (1)**

The Company confirms that the undertakings under Rule 720(1) of the SGX-ST Listing Manual have been obtained from all its directors and executive officers.

**CONFIRMATION BY THE BOARD**

We, TAN CHENG GAY and TAN YOK KOON being two of the Directors of EnGro Corporation Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

TAN CHENG GAY  
Chairman and CEO

TAN YOK KOON  
Director

**BY ORDER OF THE BOARD**

Joanna Lim  
Company Secretary  
9 November 2016