ENGRO CORPORATION LTD
(Registration no: 197302229H)

COUNTER GUARANTEE BY A SUBSIDIARY FOR BANK LOAN OBTAINED BY QINGDAO EVERGREEN MATERIALS & TECHNOLOGIES CO., LTD.

The Board of Directors of EnGro Corporation Limited and its subsidiaries (the "Group") wishes to announce that its joint venture company, Qingdao Evergreen Materials & Technologies Co., Ltd. ("QEMT" or the "JV"), has secured a bank loan of RMB230 million (the "Loan") from China Everbright Bank (the "Lender") to fund the Ground Granulated Blast Furnace Slag ("GGBS") production facilities in Qingdao, China.

QEMT was setup in 2014 as a collaboration between the Group and Qingdao Iron and Steel Group Co., Ltd ("QDIS") to produce GGBS, a specialty building material, in the City of Qingdao. The Group owns 80% of equity interest in EnGro (Asia) Private Limited ("EAPL") which owns 43% of QEMT. QDIS owns the remaining 57%.

To obtain the Loan, QEMT was required to provide the following collaterals in favour of the Lender:

a) Property, plant and equipment of QEMT; and
b) Corporate Guarantee from QDIS.

In consideration of QDIS agreeing to provide 100% of the Corporate Guarantee to the Lender, EAPL shall in return provide a counter guarantee to QDIS by pledging its interest in the JV at the book value of RMB27.5 million (SGD6.0 million).

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction.

The transaction is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2016.

BY ORDER OF THE BOARD

Joanna Lim
Company Secretary
20 January 2016