



BUILDING SUSTAINABILITY

ENGRO CORPORATION LTD

(Registration no: 197302229H)

ENGRO'S JOINT VENTURE ("JV") WITH QINGDAO IRON AND STEEL GROUP ("QDIS") TO BUILD A 1.2 MILLION TONS PER ANNUM PLANT TO PRODUCE GROUND GRANULATED BLAST FURNANCE SLAG ("GGBS") AS PART OF THE GROUP'S SPECIALTY CEMENT EXPANSION PLAN IN CHINA

The Board of Directors of EnGro Corporation Limited (the "Company") wishes to announce that its 80% owned subsidiary EnGro (Asia) Private Limited ("EAPL") has entered into a joint venture agreement with Qingdao Iron & Steel Group ("QDIS") to subscribe for 43% of the registered capital of Qingdao Evergreen Materials & Technologies Co., Ltd, a newly established company incorporated in Qingdao, China, thereby making it an associated company of the Company. The details of the newly established company are as below:-

Company name	: Qingdao Evergreen Materials and Technologies Co., Ltd ("QEMTCL")
Registered Capital	: RMB 64 million
Principal Activity	: Production, sales and distribution of environmental friendly Ground Granulated Blast Furnace Slag ("GGBS")
Country of Incorporation	: Qingdao, China

In the initial phase, EAPL will be injecting RMB 27.52 million as its share of the registered capital into QEMTCL to build a 1.2 million tons per annum (TPA) GGBS manufacturing plant plus (with) a 500,000 TPA steel slag pre-treatment facility, total project costs being estimated at RMB 160 million. The project will be funded internally with bank financing. The GGBS plant shall be erected within the newly re-located state-of-the-art QDIS's steel manufacturing complex at Qingdao-Dongjiakou Port, potentially the world's largest deep-water port; which includes a 400,000-ton iron ore berth. The GGBS plant is scheduled to start operation in the first half of 2015; therefore, the investment is not expected to have any material impact upon the consolidated net tangible assets per share and earnings per share of the Company and the Group for the financial year ending 31 December 2014.

In the second phase, QEMTCL plans to expand its capacity and capability through building a nanotechnology R & D centre, an additional 900,000 TPA high-performance GGBS mill and a 500,000 TPA steel slag finishing grinding line. The entire project in two phases is expected to cost RMB 500 million. Upon completion, QEMTCL will have a production capacity of 2.6 million TPA with a projected annual revenue of RMB 600 million.

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the above transactions.

For and on behalf of
EnGro Corporation Limited
13 April 2014