**Securities Investors Association (Singapore)**
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** EnGro Corporation Limited

**Stock code:** S44

**Meeting details:**
Date: 25 June 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

**Q1**. As noted in the chairman's message, the group reported a profit after tax of $11.1 million in FY2019, driven by higher fair value gains from the investment segment, improved performance from the China joint ventures and Integral cement and RMC business.

In particular, it was stated that the cement industry in China witnessed a record year which resulted in high demand for Ground Granulated Blastfurnace Slag (GGBS) in most provinces, resulting in higher GGBS prices nationwide.

The group's GGBS production capacity increased to 10.8 million tons per year with a new production line in Rizhao, Shandong province in April 2019. Sales volume grew to 8.3 million tons in 2019, up from 7.1 million tons in 2018. The group now has 8 plants in 5 locations.

(i) **Are there opportunities for the group to increase its production capacity or to expand its network to new provinces?**

(ii) **Does the group have any visibility on the market share of its GGBS operations?**

(iii) **Would management also provide shareholders with an update on the progress of the green cement pilot plant in Zibo, Shandong?**

**Q2.** For the group's specialty polymer business, the group has diversified into non-automotive customers in film packaging. The group has also signed up a first electric vehicle (EV) maker, Byton.

(i) **What other industries can R&P serve, other than the automotive industry?**

(ii) **Is the profit margin for packaging film masterbatch comparable to profit margin for the automotive industry?**

(iii) **When does the group expect to start the production for Byton?**

**Q3.** In the corporate governance report, the company has stated that it has a dividend policy which seeks to balance dividend return to shareholders with the need for long-term sustainable growth whilst aiming for an efficient capital structure. For FY2019, and since FY2015, the company has recommended and has paid 2.5 cents per ordinary share as dividend each year.

The total amount of dividend adds up to just under $3 million for each financial year.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Between FY2008 and FY2014, the company used to declare 3 cents per ordinary share with special dividends for some years, for example for FY2013 and for FY2009.

(i) **Can the board help shareholders understand if it had deliberated on the ability of the company to raise dividends?**

As at 31 December 2019, the company has cash and cash equivalents of $34.9 million, an increase from $33.0 million as at the end of the last financial year. In addition, the group has more than $48 million in financial assets, consisting of venture capital funds ($21.5 million), equity securities ($20.7 million), structured deposits ($2.6 million) etc.

(ii) **Has the board reviewed the capital structure and assessed if the current capital structure is efficient (as stated in its dividend policy)?**

(iii) **How is the quoted securities portfolio managed? What is the level of oversight by the board/audit committee on the investment performance and the risks associated with equity investments? Are these pure financial investments that are not strategic to the group's long-term objectives? If so, would the board also consider returning the excess capital to shareholders?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

**Join our mailing list here to receive latest news and upcoming events.**

**CONNECT WITH US**

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)