Securities Investors Association (Singapore)
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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: 29 April 2022
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.

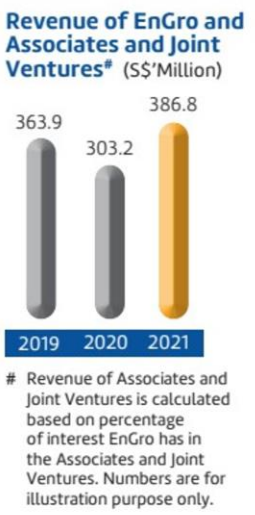
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Q1. As shown in the financial highlights (page 7), the group reported a strong set of results, with equity attributable to owners of the company increasing to $305.2 million (see financial highlights below).

In addition, the share of revenue of the group's associates and joint ventures have surpassed the 2019 level. Share of profits of associates and JVs in Ground Granulated Blastfurnace Slag (GGBS) increased from $8.03 million in FY2020 to $10.9 million in FY2021.

FINANCIAL HIGHLIGHTS

	2019	2020	2021
Consolidated Statement of Profit or Loss (S$'Million)			
Revenue	131.3	96.9	129.6
Profit for the year	11.1	22.0	51.0
Profit attributable to owners of the Company	11.1	22.0	50.7
Statement of Financial Position (S$'Million)			
Total assets	264.4	288.2	357.4
Equity attributable to owners of the Company	236.0	257.2	305.2
Per Share (Cents)			
Basic Earnings	9.31	18.56	42.70
Net asset value	199	217	257
Net dividend	2.50	3.00	6.50



(Adapted from company annual report)

Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

(i) **Engro Cement: Is the group able to pass on increases in raw material and freight costs for its existing supply contracts with the Housing and Development Board that was secured in 2020?**

(ii) **Jurong Port Ready Mix Concrete (RMC) plant: What is the impact on the group's operations when the RMC plant in Jalan Buroh is completed? How does the group ensure that it will secure more (and profitable) projects?**

(iii) **Top-Mix Concrete Malaysia: Similarly, with new batching plants in Genting Permai and soon in Kuala Lumpur, how does the group secure new projects? Is there idle capacity in these new markets?**

(iv) **Specialty Cement Business: Are the GGBS operating units exposed to significant supply chain risks (slag) should the associated iron & steel mill be forced to close/relocate?** This happened to Jinan LuXin and Tangshan TangLong. **Has the board evaluated if the other GGBS units face the same risk?**

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Q2. The group's venture capital investments have been successful. As noted on page 25, the notable IPO-exits of the group's funds in 2021 were UiPath and Roblox.

In FY2020, the group gained from exit events of Twist Biosciene, DoorDash and VeriSilicon.

The fair value of the venture capital funds (at level 3) has increased from $29.2 million to $49.6 million as at 31 December 2021 (page 146). Management has cautioned that the technology investments are "anticipated to generate lower returns compared to FY2021".

(i) **For the benefit of shareholders, can the board provide greater clarity of the individual funds, the general partner, the vintage, fair value, distributions received, fund structure, maturity etc.**

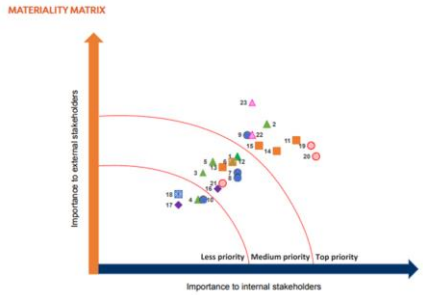
(ii) **What is the group's exposure to Chinese Tech companies which have been the target of the government's crackdown, if any?**

(iii) **Given that the group does not have any influence/control over the running of the VC funds, what is the impact on the group if markets turn down? Are there other ways to realise the (paper) gains?**

Q3. As noted in the chairman's statement, policy makers worldwide have declared war against carbon emission. China Central Government has its sights set on turning China into a green-based economy. It committed to achieving carbon neutrality by 2060 through leveraging the *Green and Digitalization* programme to achieve "dual circulation"（双循环）.

In Singapore, the government is expected to implement more ambitious goals as it reviews its climate targets for 2030 this year. Singapore also recently announced that it plans to accelerate its longer-term climate plan to have emissions reach net zero by or around the middle of the century.

MATERIALITY ASSESSMENT Our material topics as identified from a materiality workshop in 2019, sorted according to level of importance



Top Priority		Medium Priority		Less Priority	
S/N	Sustainability Issue	S/N	Sustainability Issue	S/N	Sustainability Issue
19	Economic performance	1	Waste management and recycling	4	Other atmospheric emissions
23	Regulatory compliance	6	Water management	10	Career advancement
2	Environmental compliance	7	Employment practices	18	Stakeholder engagement
11	Product/Service quality	12	Security of information	17	Driving economic development (Indirect economic impact)
20	Enterprise risk management	5	Use of sustainable materials		
9	Occupational health and safety	8	Human rights		
14	Customer health and safety	13	Clear product labelling		
22	Ethical business conduct	21	Responsible supply chain management		
15	Customer satisfaction	3	Energy and carbon footprint		
		16	Community Investment		

(Source: company sustainability report 2020)

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(i) **In the new sustainability report that will be published by May 2022, how has the board assessed the materiality of the group's energy and carbon footprint, atmospheric emissions, waste and water management etc?**

(ii) **Can the board help shareholders better understand how the group will be addressing its Scope 1, Scope 2 and Scope 3 emissions?**

(iii) **What is the board's approach to decarbonisation and the pathways to net-zero?**

(iv) **How is the group actively pursuing waste-to-resource recovery and recycling opportunities? Are the efforts focused on China or Singapore?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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.

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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