

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED
(Company Registration No. 201508913H)
(Incorporated in the Republic of Singapore on 2 April 2015)

RESPONSES TO SGX QUERIES

The board of directors ("**Board**" or "**Directors**") of Eindec Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") sets out its responses to the queries from the Singapore Exchange Regulation ("**SGX**") on 12 July 2022 in relation to the Company's announcement dated 4 July 2022 ("**Announcement**") on the cessation of Ms Queenie Foo Quek Cheng ("**Ms Foo**") as Chief Financial Officer ("**CFO**") cum Acting Chief Executive Officer ("**Acting CEO**") of the Company ("**Cessation**").

Question 1

Please confirm if there are any circumstances connected with the resignation of Ms Foo that should be brought to the attention of the shareholders.

Company's Response:

There are no circumstances connected with the resignation of Ms Foo that should be brought to the attention of the shareholders of the Company. As disclosed in the Announcement, there is no matter in relation to the Cessation that needs to be brought to the attention of the shareholders of the Company.

Question 2

We note that the Company's board comprises entirely non-executive and independent directors.

- (a) Who, on the board, has oversight over the executive running and operational matters of the Group?**
- (b) Please provide Nominating Committee's ("NC") assessment and considerations on why such a board composition is effective and adequate, as well as in the best interest of the Group.**
- (c) Please provide the Sponsor's assessment and considerations on why such a board composition is effective and adequate, as well as in the best interest of the Group.**

Company's Response:

- (a)** Mr Zhang Wei (Non-Executive Chairman of the Company, controlling shareholder of the Company, as well as Executive Chairman and Chief Executive Officer ("**CEO**") of Weiye Holdings Limited, parent of the Company) has oversight over the executive running and operational matters of the Group. As disclosed in the Company's announcement dated 6 December 2019 on the appointment of the Acting CEO and in the Company's annual reports, the Acting CEO would manage and oversee the overall business and activities of the Group, and would report to Mr Zhang Wei. As such, Mr Zhang Wei is familiar with the key operational and financial matters of the Group, in addition to its business strategy.

In addition, as the Non-Executive Chairman of the Company, Mr Zhang Wei ensures effective and comprehensive Board discussion on matters brought to the Board including strategic issues as well as business planning, and provides executive leadership and supervision to the management of the Company (“**Management**”).

- (b) The NC is of the view that the current composition of the Board, which comprises entirely Non-Executive and Independent Directors, is effective and adequate, as well as in the best interest of the Group taking into consideration the following:
- (i) Ms Foo reports to Mr Zhang Wei, who has oversight over the executive running and operational matters of the Group as elaborated under (a) above, who in turn, is familiar with the key operational and financial matters of the Group;
 - (ii) the Board maintains close communication and regularly engages with Ms Foo on the business development and operations of the Group;
 - (iii) Ms Foo updates the Board on the Group’s operations and financials on a quarterly basis and as and when there is any significant business development, and she also participates in the half year and full year Board meetings and Audit Committee meetings;
 - (iv) the Board has adopted a set of internal guidelines setting forth major matters that require the Board’s approval, which has been clearly communicated to the Management. All major decisions regarding the business and operations of the Group are subject to majority approval of the Board;
 - (v) the Board comprises Directors who, as a whole, have the core competencies and experience necessary to lead and manage the Group’s businesses and operations together with the Management team led by the Acting CEO. Please refer to Provision 2.4 of the Company’s corporate governance report under the Company’s Annual Report 2021 for more information on such core competencies of the Directors;
 - (vi) the composition and size of the Board is reviewed annually by the NC to ensure the appropriateness of the Board size and composition, taking into consideration the changes in the nature and scope of the operations, as well as the regulatory environment of the Group; and
 - (vii) taking into account Ms Foo’s competencies as the CFO cum Acting CEO, the NC considers the current Board to be of necessary calibre and size to provide the Management with diverse and objective perspective on the issues on hand. There is also appropriate mix of expertise and experience to effectively meet the existing scope of needs and the existing operations of the Group.
- (c) Taking into consideration the various factors set out under the Company’s response to question 2(b) above, the Sponsor is of the view that the current composition of the Board is effective and adequate, as well as in the best interest of the Group.

Question 3

In view of Ms Foo’s resignation as CFO cum Acting CEO, please elaborate on the following:

- (a) Who are the remaining key management personnel?**
- (b) What are the interim measures put in place to ensure continuity of business operation and finance functions? Do these personnel have the requisite experience and knowledge?**
- (c) What is the status of the Company’s search for a new CFO and a new CEO?**

Company's Response:

- (a) Ms Tang Sin, Vice President (Country Manager, People's Republic of China ("PRC")) is the remaining key management personnel as at the date of this announcement. She is responsible for the overall management of the Group's operations in the PRC since April 2015. Please refer to the Company's Annual Report 2021 for the profile of Ms Tang Sin.
- (b) As stated in the Company's response to question 3(a) above, the Group's business operations in the PRC is managed by Ms Tang Sin, while the Group's business operations in Singapore and Malaysia are co-led by experienced middle management team comprising two senior operation managers, one operation manager and experienced senior sales managers. The Company's finance functions are supported by competent finance personnel including two certified accountants.

The Board is satisfied that such operation and finance personnel have the requisite experience and knowledge, and the Board does not expect any disruption to the Company's continuity of business operation and finance functions. In addition, Ms Foo is currently serving a two months' notice period and her last day of employment with the Company will be on 31 August 2022.

- (c) As at the date of this announcement, the Company is still in the midst of identifying suitable candidates to fill the respective positions of CEO and CFO (or equivalent). The Company is also considering the possibility of re-designation of the Non-Executive Chairman to assume the position of Executive Chairman and the CEO, as well as the possibility of internal promotion of its employee(s) to assume the position of CFO (or equivalent). The Company will make the necessary announcements in accordance with the Catalist Rules when the appointment and/or re-designation are confirmed.

Question 4

We note that Ms Foo is the Company's CFO and Acting CEO since 6 December 2019. It was announced then that the Company was in the midst of searching for a suitable candidate to be its CEO.

- (a) What has the NC and Company done since December 2019 with regards to its search for a new CEO?**
- (b) Moving forward, will the Company be appointing different personnel to be its CEO and CFO? What is the anticipated timeline to fill these vacancies?**

Company's Response:

- (a) Since December 2019, the NC and the Company have been actively searching for a new CEO by tapping on the recommendations and the network of contacts of the Directors and the Management. However, the search for a suitable and qualified candidate has not been fruitful. Subsequently, in 2021, the NC and the Board were exploring the possibility of the Acting CEO to assume the position of CEO on a permanent basis (as disclosed in page 18 of the Company's Annual Report 2021). Prior to the receipt and acceptance of Ms Foo's resignation letter, the NC had recommended Ms Foo to assume the position of CEO on a permanent basis.
- (b) The Company will be appointing different personnel to be its CEO and CFO (or equivalent) moving forward. The Company intends to fill the vacancies as soon as possible, and endeavors to do so within the next two to three months.

By Order of the Board

Shirley Tan
Company Secretary
14 July 2022

*This announcement has been prepared by Eindex Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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