



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

For Immediate Release

Eindec Corporation Limited's FY2015 Revenue Improved 18% To S\$16.9 million

Highlights

- Maiden contribution of S\$2.0 million from sale of air purifiers
- Gross profit margin improved to 39.7% in FY2015, up from 34.8% in FY2014, on increase in sales of higher margin products
- Poised to ride on growing demand for air purifiers products

Full year ended 31 December (S\$' million)	FY2015	FY2014	Change
Revenue	16.9	14.3	▲18%
Gross Profit	6.7	5.0	▲35%
Profit Before Tax	1.3	1.6	▼22%
Profit After Tax	0.8	1.4	▼42%

SINGAPORE, 26 February 2016: CATALIST-LISTED Eindec Corporation Limited (英德集团有限公司) (“**Eindec**” or together with its subsidiaries, the “**Group**”), a regional clean air environmental and technological solutions provider, announced an 18% increase in revenue to S\$16.9 million for the full year ended 31 December 2015 (“**FY2015**”), from S\$14.3 million a year ago on increased revenue in the heating, ventilation and air-conditioning equipment (“**HVAC**”) segment and the maiden contribution from the air purifier segment.

Mr. Paul Chia (谢伟豪), the Group's Executive Director and CEO said: *"We are pleased that our efforts to develop the air purifier business in China has taken off successfully on strong demand for our well-designed and innovative products in the light of looming air pollution problem in China. We plan to continue to expand our product range to tap on the increasing demand for clean air environmental and technological solutions in the region."*

For FY2015, the clean room segment remained the largest revenue contributor at 43.3%, followed by HVAC at 40.5%, air purifier at 12.4%, and others at 3.8%.

Revenue from the clean room segment dipped 1.7% to S\$7.3 million in FY2015. The HVAC segment saw revenue growth of 6.9% to S\$6.8 million in FY2015 while the air purifier segment made its maiden contribution of S\$2.1 million. Revenue in the others segment in relation to sale of cooling towers increased to S\$0.6 million in FY2015, from S\$0.5 million a year ago.

Gross profit increased by 35% to S\$6.7 million in FY2015 due to sale of higher-margin air purifier products, more clean room equipment servicing project work with higher profit margin and increased sales in higher profit margin clean room equipment. Gross margin improved to 39.7% in FY2015, from 34.8% in FY2014.

Net profit after tax was S\$0.8 million in FY2015 compared to S\$1.4 million in FY2014 on higher other operating expenses, including start-up expenses related to its new environmental and technological solution products business operation in China, one-off listing expenses, higher salaries and higher rental charges. Assuming the one-off gain from the disposal of property, plant and equipment and listing expenses are excluded, the net profit after tax for FY2015 would have been approximately S\$1.5 million which is approximately 10.9% higher than the net profit after tax of S\$1.4 million in FY2014.

Financial Position

The Group had net assets of S\$9.2 million as at 31 December 2015, translating into a net asset value per share of 12.68 Singapore cents. This was prior to its listing on 15 January 2016, which raised net proceeds of approximately S\$4.6 million. Earnings per share based on weighted average number of shares in issue for FY2015 was 2.18 cents.

The Group's total cash and cash equivalents increased by S\$1.3 million in FY2015 to S\$4.4 million as compared to S\$3.1 million in FY2014 with loan and borrowings of S\$1.1 million and S\$0.7 million in FY2015 and FY2014 respectively.

The Group secured a new contract for air purifier business for a total value of RMB25.0 million in FY2015. As at the end of FY2015, RMB11.5 million of the contract has been fulfilled of which RMB10.0 million has been received.

Business Outlook

With the burgeoning economic growth in emerging markets, there will be corresponding growth of the domestic industries in these countries including the building, electronics, pharmaceutical, biotechnology, chemical and food and beverage industries. All of these industries require clean room equipment and HVAC equipment. The majority of the Group's revenue from clean room and HVAC equipment business was generated from the building and electronics industry in Singapore.

The Ministry of Trade and Industry, Singapore, has forecasted Singapore's gross domestic product growth to be between 2.0% and 4.0% in each year from 2015 to 2020⁽¹⁾. . According to the Building and Construction Authority of Singapore, average annual construction demand is expected to be sustained between S\$27.0 billion and S\$37.0 billion in 2016 and 2017, and between S\$26.0 billion and S\$37.0 billion in

2018 and 2019, in view of mega public sector infrastructure projects required to meet the long-term needs of Singapore's population and maintain the competitive advantage of Singapore's economy⁽²⁾.

Demand for clean room and HVAC equipment in Asia is expected to continue to remain robust underpinned by demand from various industries, including the food, chemical, pharmaceutical manufacturing and electronics industries. Clean rooms are increasingly being adopted across industries due to the need to maintain low levels of contaminants for production of higher end products, thereby driving demand for clean air equipment. The clean room equipment industry in Singapore is projected to grow up to 3.0% annually in the next five (5) years⁽³⁾.

The immense and sustained economic growth in the PRC has led to increasing levels of hazardous smog and worsening air pollution in PRC, particularly in large cities coupled with increasing urban population. With the middle class in the PRC becoming increasingly affluent and growing public awareness on air pollution has resulted in increased demand for air purifiers from urban household consumers. The prospects of the PRC's consumer air purifier industry are buoyed by challenges in air pollution control, with an expected compounded annual growth rate of 30.2% from 2014 to 2017⁽⁴⁾.

Notes:

- (1) Article entitled Singapore's Economic Growth Potential Up to 2020
(https://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-First-Quarter-2015/BA_1Q15.pdf)
- (2) News release by the Building and Construction Authority dated 8 January 2015
(http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html).
- (3) Singapore Clean Room Equipment Industry Report by Converging Knowledge Private Limited dated 10 September 2015. Please refer to the Offer Document dated 6 January 2016 for further details.
- (4) PRC Consumer Air Purifier Industry Report by Converging Knowledge Private Limited dated 10 September 2015. Please refer to the Offer Document dated 6 January 2016 for further details.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 26 February 2016.

ABOUT EINDEC CORPORATION LIMITED (SGX STOCK CODE: 42Z)

Eindec Corporation Limited, together with its subsidiaries (“**Eindec**”, “**Company**” or the “**Group**”) is a regional clean air environmental and technological solutions group with diversified product lines spanning the commercial, industrial and consumer market segments.

Started in 1984, the Group has an established track record in the design, manufacture and distribution of clean room and heating, ventilation and air-conditioning (“**HVAC**”) equipment across a diversified customer base, which includes the building, clean room, and offshore oil & gas industries.

Leveraging on its technological expertise in clean room equipment, Eindec has diversified into the consumer air purifier market with its own brand of smart air purifiers, following the completion of the design and prototype of its own brand of air purifiers for distribution to the consumer market in the PRC.

Headquartered in Singapore, Eindec operates two manufacturing facilities in Singapore and Malaysia, with its facility in Singapore serving as research and development centre. It has also established offices in Singapore, Malaysia and PRC.

Issued on behalf of **EINDEC CORPORATION LIMITED** by:

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Important Notice

The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 15 January 2015. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (“Sponsor”).

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this press release.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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