

Unless otherwise defined, all capitalized terms used in this announcement shall have the same meanings as defined in the offer document of the Company dated 6 January 2016, registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the "Offer Document").

Eindec Corporation Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 15 January 2016. The initial public offering (the "IPO") of the Company was sponsored by UOB Kay Hian Private Limited (the "Sponsor").

This announcement 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 announcement.

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

The contact persons for the Sponsor are Mr. Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr. Josh Tan, Vice President, who can be contacted at 8, Anthony Road #01-01, Singapore 229957, Telephone: +65 6590 6881.

Background

The Company was incorporated in Singapore on 2 April 2015 under the Companies Act as a private limited company, under the name of "Eindec Corporation Pte. Ltd.". The Company was converted into a public limited company and renamed as "Eindec Corporation Limited" in connection therewith on 10 December 2015. The Company became the holding company of the Group following the completion of the Restructuring Exercise on 10 December 2015. Please refer to the Offer Document for further details on the Restructuring Exercise.

The Group is a regional clean air environmental and technological solutions group. The Group designs, manufactures and distributes a wide range of clean room equipment and heating, ventilation and air-conditioning ("HVAC") equipment. The Group has ventured into the consumer air purifier market by leveraging on its technological expertise in clean room equipment. The Group operates two facilities in Malaysia and Singapore, with its facility in Singapore serving as its corporate headquarters and research & development ("R&D") centre, as well as offices established in Malaysia, Singapore and PRC. Please refer to the Offer Document for further details on the business of the Group.

For the purpose of this announcement, the results of the Group for the financial period ended 30 June 2016 ("1H2016") and the comparative results of the Group for the financial period ended 30 June 2015 ("1H2015") have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise has been in place prior to 1 January 2015.

Part 1 - Information required for announcements of quarterly (Q1, Q2 & Q3), half-year and full year results.

- 1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statements of Comprehensive Income

	<----- Group ----->		
	Half Year Ended 30 June		
	2016	2015	Change
	S\$'000	S\$'000	%
Revenue	9,824	6,600	49
Cost of sales	(6,040)	(4,297)	41
Gross profit	3,784	2,303	64
Other operating income	39	47	(17)
Other operating expenses	(3,109)	(1,917)	62
Results from operating activities	714	433	65
Finance costs	(72)	(18)	>100
Profit before income tax	642	415	55
Income tax expense	(365)	(57)	>100
Profit for the period (Note 1)	277	358	(23)
Other comprehensive loss			
Foreign currency translation differences from foreign operations	(122)	(133)	NM
Total other comprehensive loss for the period, net of income tax	(122)	(133)	NM
Total comprehensive income for the period attributable to owners of the parent	155	225	(31)

NM - Not meaningful

Note 1 – Profit for the period

This is determined after charging/(crediting) the following items:

	<----- Group ----->	
	Half Year ended	
	30 June	
	2016	2015
	S\$'000	S\$'000
Gain on disposal of property, plant and equipment	-	(28)
Interest income	(5)	-
Interest expense	72	18
Net foreign exchange gain	(34)	(12)
Depreciation of property, plant and equipment	192	167
Amortisation of intangible assets	89	-
Over provision of tax in respect of prior year	-	(1)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	4,631	4,685	-	-
Intangible assets	607	543	-	-
Investment in a subsidiary	-	-	9,300	9,300
	5,238	5,228	9,300	9,300
Current assets				
Inventories	2,590	2,394	-	-
Trade and other receivables	7,428	6,416	27	1,901
Amount due from ultimate holding company (non-trade)	-	101	-	101
Amount due from a subsidiary (non-trade)	-	-	5,917	660
Cash and cash equivalents	7,602	4,435	96	40
	17,620	13,346	6,040	2,702
Total assets	22,858	18,574	15,340	12,002
Equity and liabilities				
Current liabilities				
Trade and other payables	4,866	5,310	76	159
Amount due to a subsidiary (non-trade)	-	-	-	1,547
Amount due to ultimate holding company (non-trade)	2,037	2,394	2,037	2,394
Current tax payables	514	444	-	-
Bank overdrafts	-	643	-	-
Loans and borrowings	259	249	-	-
	7,676	9,040	2,113	4,100
Net current assets / (liabilities)	9,944	4,306	3,927	(1,398)
Non-current liabilities				
Deferred tax liabilities	207	204	-	-
Loans and borrowings	86	213	-	-
	293	417	-	-
Total liabilities	7,969	9,457	2,113	4,100
Net assets	14,889	9,117	13,227	7,902
Equity attributable to owners of the parent				
Share capital	14,917	9,300	14,917	9,300
Other reserves	(10,671)	(10,549)	-	-
Accumulated Profits/(Loss)	10,643	10,366	(1,690)	(1,398)
Total equity	14,889	9,117	13,227	7,902
Total equity and liabilities	22,858	18,574	15,340	12,002

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand
Amount repayable after one year

As at 30.06.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
259	-	892	-
86	-	213	-

Details of any collaterals

As at 30 June 2016, the Group's borrowings were secured by the property, plant and equipment ("PPE") of a subsidiary, a deed of debenture provided by a subsidiary for RM10 million and a corporate guarantee from the ultimate holding company.

We have obtained written approval from Public Bank on 1 August 2016 to discharge the ultimate holding company as corporate guarantor for the aforementioned borrowings.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Cash Flows

	<----- Group ----->	
	Half Year ended	
	30 June	
	2016	2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	642	415
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	192	167
Amortisation of intangible assets	89	-
Gain on disposal of property, plant and equipment	-	(28)
Property, plant and equipment written off	3	-
Effects of exchange rate changes	(7)	(12)
Interest expense	72	18
Interest income	(5)	-
Operating profit before working capital changes	<u>986</u>	<u>560</u>
<u>Changes in working capital</u>		
Inventories	(196)	(98)
Trade and other receivables	(1,010)	(944)
Trade and other payables	(443)	376
Cash used in operations	<u>(663)</u>	<u>(106)</u>
Income tax paid	(295)	(98)
Net cash used in operating activities	<u>(958)</u>	<u>(204)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment ⁽¹⁾	(92)	(164)
Decrease/(Increase) in amount due from ultimate holding company (non-trade)	101	(763)
Decrease/(Increase) in amount due from related corporation (non-trade)	-	231
Interest received	5	-
Proceeds from disposal of property, plant and equipment	-	31
Payment for development expenditure capitalised as intangible assets	(153)	(66)
Net cash used in investing activities	<u>(139)</u>	<u>(731)</u>

Consolidated Statements of Cash Flows (cont'd)

	<----- Group ----->	
	Half Year ended	
	30 June	
	2016	2015
	S\$'000	S\$'000
Cash flows from financing activities		
Interest paid	(72)	(18)
Repayment of loans and borrowings	(749)	(98)
Repayment of finance lease obligations	(11)	(8)
Decrease in amount due to ultimate holding company (non-trade)	(357)	592
Increase in amount due to a director (non-trade)	-	12
Payments for listing expenses	(1,901)	(535)
Proceeds from issue of shares	7,518	-
Net cash flows generated from/(used in) financing activities	4,428	(55)
Net increase/(decrease) in cash and cash equivalents	3,331	(990)
Cash and cash equivalents at beginning of year	4,435	3,095
Effect of exchange rate changes fluctuations on cash held	(164)	16
Cash and cash equivalents at end of year	7,602	2,121

For the purposes of the consolidated statements of cash flows, cash and cash equivalents comprised the following amounts as at 30 June:

Cash at bank and on hand	7,602	2,414
Less: bank overdrafts	-	(293)
Total cash and cash equivalents in statements of cash flows⁽²⁾	7,602	2,121

Notes:

(1) During the financial period ended 30 June 2016, the Group acquired property, plant and equipment with an aggregate cost of S\$92,000 (30 June 2015: S\$239,000), of which S\$nil (30 June 2015: S\$75,000) was acquired under finance leases.

(2) Cash and cash equivalents as at 30 June 2016 included S\$20,390 (30 June 2015: S\$nil) of fixed deposits which had been pledged to bank for performance guarantee of a subsidiary. The pledged had been duly discharged on 1 July 2016.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Changes in Equity

	Attributable to owners of the parent					
	Share Capital	Statutory Reserve	Merger Reserve	Foreign currency translation	Accumulated profits	Equity total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance at 1 January 2015	-	-	-	(612)	9,620	9,008
Total comprehensive income for the period						
Profit for the period	-	-	-	-	358	358
Other comprehensive income						
Foreign currency translation differences – foreign operations	-	-	-	(133)	-	(133)
Total comprehensive (loss)/income for the period	-	-	-	(133)	358	225
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issue of subscriber's shares	-*	-	-	-	-	-*
Total transactions with owners	-	-	-	-	-	-
Balance at 30 June 2015	-	-	-	(745)	9,978	9,233
Balance at 1 January 2016	9,300	43	(9,225)	(1,367)	10,366	9,117
Total comprehensive income for the period						
Profit for the period	-	-	-	-	277	277
Other comprehensive income						
Foreign currency translation differences – foreign operations	-	-	-	(122)	-	(122)
Total comprehensive (loss)/income for the period	-	-	-	(122)	277	155
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	7,518	-	-	-	-	7,518
Listing expenses	(1,901)	-	-	-	-	(1,901)
Total transactions with owners	5,617	-	-	-	-	5,617
Balance at 30 June 2016	14,917	43	(9,225)	(1,489)	10,643	14,889

* less than S\$1,000

Consolidated Statements of Changes in Equity (cont'd)

Company	Attributable to owners of the parent					
	Share Capital	Statutory Reserve	Merger Reserve	Foreign currency translation	Accumulated profits	Equity total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 2 April 2015 (date of incorporation)	-*	-	-	-	-	-*
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(3)	(3)
Total comprehensive loss for the period	-	-	-	-	(3)	(3)
Balance at 30 June 2015	-	-	-	-	(3)	(3)
Balance at 1 January 2016	9,300	-	-	-	(1,398)	7,902
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(292)	(292)
Total comprehensive loss for the period	-	-	-	-	(292)	(292)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	7,518	-	-	-	-	7,518
Listing expenses	(1,901)	-	-	-	-	(1,901)
	5,617	-	-	-	-	5,617
Balance at 30 June 2016	14,917	-	-	-	(1,690)	13,227

*As at the date of incorporation, the company's issued and paid-up share capital was S\$1.00 comprising 1 Share.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company was listed on Catalist of SGX-ST on 15 January 2016. Upon the IPO, the Company issued 35,800,000 Shares for a total consideration of S\$7,518,000. The total number of Shares after the IPO was 107,700,000 Shares.

There are no outstanding convertibles or shares held as treasury shares of the Company as at 30 June 2016 (30 June 2015: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 June 2016 was 107,700,000 (31 December 2015: 71,900,000). There are no treasury shares held by the Company.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There are no treasury shares held by the Company.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2015 have been applied in the preparation of the unaudited financial statements for the financial period ended 30 June 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has been changed, as well as the reasons for, and the effect of, the change.

During the current financial year, the Group and the Company have adopted the new and revised FRS which took effect from financial period beginning 1 January 2016.

The adoption of these new and revised FRS has no material effect on the results and financial position of the Group and of the Company for the current and the previous financial periods. Accordingly, it has no impact on the earnings per share of the Group and of the Company.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Profits for the period (S\$'000)

Weighted average no. of shares ('000) in issue

Basic and diluted earning per share (in cents)

<----- Group ----->

Half Year ended	
30 June	
2016	2015
277	358
105,340	105,340
0.26	0.34

The calculation of the basic and diluted earnings per share for each of the periods ended 30 June 2015 and 2016 is based on the profit for the respective periods and the weighted average number of shares of the Company in issue as at 30 June 2016.

There were no dilutive potential ordinary shares in existence for both periods ended 30 June 2015 and 2016.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net asset value (S\$'000)	14,889	9,117	13,227	7,902
No. of Shares ('000)	107,700	71,900	107,700	71,900
Net asset value per Share (in cents)	13.82	12.68	12.28	10.99

The calculation of net asset value per share is based on the number of issued ordinary shares as at the respective balance sheet dates.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue and gross profit

Revenue	<----- Group ----->	
	Half Year ended	
	30 June	
	2016	2015
	S\$'000	S\$'000
Clean room equipment	1,995	2,602
HVAC products	3,173	3,611
Air purifier products	4,461	-
Others	195	387
	<u>9,824</u>	<u>6,600</u>

The Group's revenue increased by S\$3.22 million in 1H2016 to S\$9.82 million as compared to S\$6.60 million in 1H2015 was primarily due to the success in its new environmental and technological solution products business operation which focuses on air purifier products in the PRC and generated revenue of S\$4.46 million in 1H2016. The increase in revenue was partially offset by the decrease in clean room equipment, HVAC and other products sales by S\$1.24 million in aggregate mainly as a result of lacklustre global economic growth and the global downturn in offshore oil and gas sector due to the low oil prices which had affected customers' demand for fire and smoke dampers to be used on board of oil rigs.

Gross profit

	<----- Group ----->	
	Half Year ended	
	30 June	
	2016	2015
	S\$'000	S\$'000
Clean room equipment	514	1,024
HVAC products	887	1,137
Air purifier products	2,293	-
Others	90	142
	<u>3,784</u>	<u>2,303</u>

The Group's gross profit increased by S\$1.48 million in 1H2016 to S\$3.78 million as compared to S\$2.30 million in 1H2015 was primarily due to sale of air purifier products with higher profit margin of 51.4%. The increase in gross profit was partially offset by the decrease in gross profit for clean room equipment, HVAC and other products by S\$0.81 million in aggregate as a result of the reduction in corresponding sales revenue. As a result, the Group recorded higher gross margin of 38.5% in 1H2016 as compared to 34.9% in 1H2015.

Other operating expenses

The Group's other operating expenses increased by S\$1.19 million in 1H2016 to S\$3.11 million as compared to S\$1.92 million in 1H2015 mainly due to the start up of its new environmental and technological solution products business operation in the PRC via the establishment of a wholly owned subsidiary based in Shenzhen. In addition, the Company started to incur additional corporate expenses as a listed company in 1H2016 subsequent to its listing on Catalist of SGX-ST on 15 January 2016. There was also an increase in salaries from building of new team for the environmental and technological solution products business operation both in Singapore and the PRC since the first half year of 2016 and second half year of 2015 respectively.

Finance Costs

The Group's finance costs increased by S\$0.05 million in 1H2016 to S\$0.07 million as compared to S\$0.02 million in 1H2015 mainly due to interests charged by ultimate holding company for the net amount owing of S\$2.04 million as at 30 June 2016. Prior to the listing of our Company, no interest was charged as the Company was a wholly owned subsidiary of our ultimate holding company. Following the listing and as disclosed in page 135 of the Company's offer document dated 6 January 2016, our ultimate holding company has agreed to continue to extend the amount owing to our Company on an unsecured basis with no fixed repayment terms and interest was charged at a rate equivalent to the three (3)-month Swap Offer Rate plus 3.5% in accordance with a deed of undertaking.

Incomes tax expense

The Group's income tax expenses increased by S\$0.31 million in 1H2016 to S\$0.37 million as compared to S\$0.06 million in 1H2015 is mainly due to our new environmental and technological solution products business operation in Shenzhen. There were no income tax expenses incurred due to business operation in Shenzhen for the first half year of 2015. In addition, profits from business operation in Shenzhen is subject to a higher corporate tax rate of 25%.

Net profit

As a result of the foregoing, the Group's net profit decreased by S\$0.08 million from S\$0.36 million in 1H2015 to S\$0.28 million in 1H2016.

Review of Financial Position

Non-current assets

The Group's non-current assets increased by S\$0.01 million to S\$5.24 million in 1H2016 as compared to S\$5.23 million in FY2015. This was mainly due to increase in intangibles assets attributed by capitalisation of development costs for new air purifier products by our wholly owned subsidiary based in Shenzhen and appreciation of assets based in Malaysia due to strengthening of RM currency against SGD currency during 1H2016. The majority of the Group's property, plant and equipment are based in Malaysia.

The increase is offset by depreciation of property, plant and equipment and amortisation of intangibles assets during the period.

Current assets

The Group's current assets increased by S\$4.27 million to S\$17.62 million in 1H2016 as compared to S\$13.35 million in FY2015. The increase was mainly due to S\$3.17 million increase in cash and cash equivalents from unutilised IPO proceeds received in January 2016. In addition, trade and other receivables increased by S\$1.01 million due to air purifier sales made by our wholly owned subsidiary based in Shenzhen. There was no sales made by the subsidiary in the corresponding period.

Current liabilities

The Group's current liabilities decreased by S\$1.36 million to S\$7.68 million in 1H2016 as compared to S\$9.04 million in FY2015 mainly due to repayments of amount due to ultimate holding company and bank overdrafts. The decrease was also contributed by a decreased in trade and other payables by S\$0.44 million.

Non-current liabilities

The Group's non-current liabilities decreased by S\$0.12 million to S\$0.29 million in 1H2016 as compared to S\$0.42 million in FY2015 due to repayment of bank borrowings from operations.

Review of Cash Flow Statement

The Group's total cash and cash equivalents increased by S\$5.48 million in 1H2015 to S\$7.60 million as compared to S\$2.12 million in 1H2015.

Net cash used in operating activities amounted to S\$0.96 million, which comprised operating cash flows before changes in working capital of S\$0.99 million, net of working capital cash outflow of S\$1.65 million and income tax paid of S\$0.30 million. The net working capital outflow arose mainly decrease of S\$1.01 million in trade and other receivables, decrease of S\$0.44 million in trade and other payables and decrease of S\$0.20 million in inventories.

Net cash used in investing activities amounted to S\$0.14 million mainly due to purchase of PPE amounting to S\$0.09 million and development costs incurred for new air purifier products amounting to S\$0.15 million. The net cash used was offset by decrease in amounts due from ultimate holding company and related corporation by S\$0.10 million.

Net cash generated from financing activities amounted to S\$4.43 million mainly due to proceeds from issuance of shares of S\$7.52 million offset by payments made for listing expenses of S\$1.90 million in 1H2016 and repayments made for amount due to ultimate holding company and bank borrowings.

9. Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The immense and sustained economic growth in the PRC has led to increasing levels of hazardous smog and worsening air pollution in the PRC, particularly in large cities coupled with increasing urban population. Meanwhile, the middle class in the PRC has continued to become increasingly affluent and public awareness on air pollution has increased. This 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⁽¹⁾.

We have made inroads into the hospital and industrial segments and have completed projects in Ren Min Hospital and Zhong Yuan Bank in Zheng Zhou, Henan Province and Tsinghua University in Shenzhen, Guangdong Province.

In addition, our research and development team has achieved a new breakthrough in commercial air purifiers leading to a successful tender award by a property developer in Henan Province. The total award of RMB33 million in total contract value comprises RMB3 million for the first phase for research & development and design and RMB30 million for the second phase for supply and installation phase in year 2017. We have commenced and have received our first progress payment for the first phase. The success of this project will mark the Group's focus to target our commercial air purifiers in the real estate industry.

Further to our China research & development roadmap, we have also launched a new series of ceiling and wall-mounted fresh air purifiers during the current period. We are planning a joint research and development project for outdoor air purifiers with a renown Chinese University, which we expect completion in year 2017.

The Group has also begun the sale of air purifiers in Singapore with initial success through Courts (Singapore) Pte Ltd and retailers. Furthermore, we have also completed research and development of a new series of air purifiers for the industrial and commercial sectors, ready for launch in Singapore during the second half of year 2016.

Global growth is generally weak. The recovery in the advanced economies is hesitant and uneven despite extraordinarily accommodative monetary policies, and hampered in several instances by a weakened political consensus on future directions. In Asia too, the momentum of growth is slowing, amid a multi-year restructuring of the Chinese economy, lacklustre demand in key export markets and the slow pace of domestic reforms in some economies. The unpredictable consequences of the UK vote to leave the European Union further dented confidence globally⁽²⁾.

With the lacklustre global economic growth, the corresponding growth of the global building, electronics, pharmaceutical, biotechnology, chemical and food and beverage industries which require clean room equipment and HVAC equipment may be negatively affected. Although the majority of our revenue from our Clean Room and HVAC Equipment Business was generated from the building and electronics industry in Singapore and the ASEAN countries, we are seeing signs of an upturn in the second half of year 2016 as we are following up on positive leads in the region. Productivity wise, we continue to enhance our efforts in material cost savings, restructuring of operational processes and engineering design.

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⁽³⁾. However, forecasted Singapore's gross domestic product growth had been adjusted downwards to between 1.0% and 2.0%, from 1.0% and 3.0% for FY2016⁽⁴⁾.

The current global downturn in offshore oil and gas sector due to the low oil prices may affect customers' demand for fire and smoke dampers to be used on board of oil rigs in the next 12 months.

Notes:

(1) PRC Consumer Air Purifier Industry Report by Converging Knowledge Private Limited dated 10 September 2015. Please refer to the Offer Document for further details.

(2) Monetary Authority of Singapore's Annual Report 2015/2016.

(3) 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).

(4) The Ministry of Trade and Industry, Singapore Press Release (https://www.gov.sg/resources/sgpc/media_releases/mti/press_release/P-20160811-1)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year?

Any dividend declared for the corresponding period of the Immediately Preceding Financial Year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

During 1H2016, the Group did not enter into any IPT of more than S\$100,000.

14. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of S\$4.55 million (the "Net Proceeds"). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
Establishment of a new business for environmental and technological solutions products in the PRC	3,300	1,000	2,300
Investment in the research and development of new and existing products and establishment and enhancement of manufacturing capabilities	500	175	325
Working Capital ⁽¹⁾	750	750	-
Total	4,550	1,925	2,625

Note 1: The IPO proceeds used for working capital was related to purchase of raw materials.

15. Confirmation by the issuer pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the Catalist Rules.

16. Negative confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial results of the Group for the period ended 30 June 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Zhang Wei
Non-Executive Chairman
12 August 2016

Paul Chia Wei Ho
CEO & Executive Director
12 August 2016