EINDECKYODO
英德集团

2017 ANNUAL REPORT

EVOLVING FORWARD

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This annual report has been prepared by Eindec Corporation Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

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

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Josh Tan, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE PROFILE

Eindec Corporation Limited ("**Eindec**" or "**Company**" and together with its subsidiaries, "**Group**") is a regional clean air environmental technology solutions manufacturer and distributor with customised proprietary products for residential, commercial and industrial customers.

Established since 1984, the Group has expertise in design, manufacturing and distribution capabilities in cleanroom equipment ("**CRE**") as well as heating, ventilation and air-conditioning ("**HVAC**") equipment for the real estate sector.

Tapping on its technological expertise and customisation capabilities in cleanroom and HVAC equipment and systems, the Group broadened its product range to include air purification systems under its "Eindec" and "Kyodo" proprietary brands. These air purification systems are designed, manufactured and sold in the Southeast Asia region and People's Republic of China ("**PRC**").

Headquartered in Singapore, the Group operates a manufacturing facility in Malaysia and carries out its product research and development in Singapore and the PRC. The Group has also established offices in the PRC.

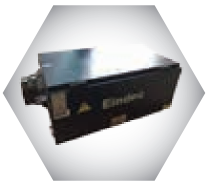
Eindec was listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 15 January 2016 under stock code 42Z.

DIVERSIFIED RANGE OF PRODUCTS

AIR PURIFICATION AND VENTILATION

AIR PURIFIER

Equipped with 4 stages of filtration, our air purifiers captures up to 99% of allergens and purifies PM 2.5. Perfect for residential and commercial usages with low power consumption, ultra quiet operation and easy maintenance.



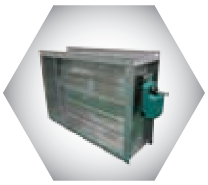
FRESH AIR PURIFICATION & VENTILATION SYSTEM

Provides fresh clean air through a sophisticated technology for residential, commercial and industrial usage. With its small footprint, easy installation and maintenance, Eindec aims to provide "Quality Air, Quality Living"

HVAC

GRILLES & DIFFUSERS

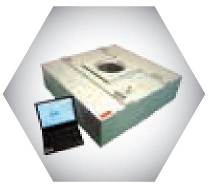
Provide a thermally comfortable temperature, humidity, air cleanliness and freshness that is evenly distribute within a confined space in the building to satisfy operational conditions for machinery or processes.



DAMPERS & VAV TERMINAL UNIT

Used to vary the volume of air passing through a confined cross section by varying the cross-sectional area to maintain comfortable temperatures for people and business equipment.

CLEAN ROOM



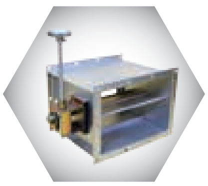
FAN FILTER UNIT

A self-contained ceiling unit used in turbulent mixing and laminar flow cleanroom applications that delivers high quality air filtration and air movement performance in clean room.

AIR SHOWER

Designed to your specific requirements with high degree of flexibility. Using air jet blowing to removing fine particles on your clean room clothing and footwear before you enter into the cleanroom.

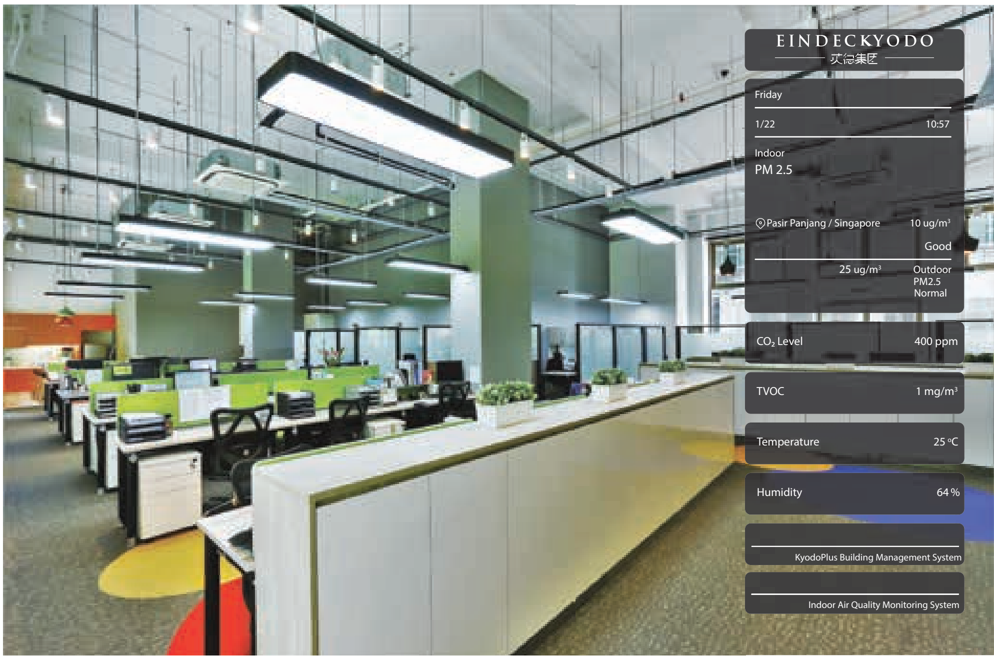
FIRE/SMOKE, MARINE DAMPER



To compliment the comprehensive range of automatic fire and smoke dampers and associated controls, provide the complete solution for shipboard air conditioning and ventilation systems fire safety engineering strategies.

LETTER TO SHAREHOLDERS

At Eindec, we have evolved from an equipment manufacturer who designs, manufactures and supplies air environmental protection equipment to that of an air environmental protection solutions provider. We are capable of providing consultancy on airflow and air quality management, customising solutions, design and manufacture of equipment, installation and after-sales maintenance services.



DEAR SHAREHOLDERS,

The financial year ended 31 December 2017 ("**FY2017**") was a year of subdued growth in the real estate sector marked by property cooling measures, volatility in raw material prices, intense competition and foreign exchange. Eindec Corporation Limited ("**Eindec**" and its subsidiaries, the "**Group**") was adversely affected amid these business challenges.

For FY2017, the Group recorded a 15.5% decline in revenue to S$14.1 million, down from S$16.7 million in financial year ended 31 December 2016 ("**FY2016**"). The decrease in revenue was mainly due to lower contributions from our heating, ventilation and air-conditioning ("**HVAC**") and air purification ("**AP**") segments, which saw lower demand with the depressed performance of the property development sector in both Singapore and China in FY2017. This was, however, partially offset by the increase in the demand for our cleanroom equipment ("**CRE**") which rode on the recovery of the electronics industry, particularly the semiconductor sector. Keen competition in the air environmental protection equipment industry as well as the higher raw material prices, particularly steel – a key component in our products, continued to weigh on our margins in FY2017. As a result of lower revenue and margins, our net loss attributable to shareholders widened from S$0.8 million in FY2016 to S$1.8 million FY2017.

STAYING AHEAD THROUGH TECHNOLOGICAL ADVANCEMENT

Despite the volatility in our operating environment, the Group embarked on cost management initiatives during FY2017 to optimise our operational efficiency. We have relocated our production activity from Singapore to Malaysia and reinforced our focus on innovating our existing range of equipment with advanced technology to provide better air quality systems to our end customers. We believe these initiatives will serve the Group well in the long term.

At Eindec, we have evolved from an equipment manufacturer who designs, manufactures and supplies air environmental protection equipment to that of an air environmental protection solutions provider. We are capable of providing consultancy on airflow and air quality management, customising solutions, design and manufacture of equipment, installation and after-sales maintenance services.

Encompassing technological solutions to products has increasingly become a norm in modern day living as cities flourished. Eindec is well placed to gain market presence with our well-known brand of quality products across all our three air environmental protection segments.

BUILDING MOMENTUM FOR FORESEEABLE DEMAND

Clean air is essential to maintain human health and well-being. Air pollution is on a rapid incline as developing countries embarked on aggressive urbanisation plans and keeping air quality clean and protecting it from various sources of emissions have become a major issue and concern for any government.

The growing awareness of clean quality air in the developing countries, particularly China, has seen increasing focus and consumption of air purification systems in their residential, commercial and industrial buildings. In 2016, the Chinese government has made it mandatory to have air purification systems in all their schools. We believe this initiative will extend from schools to healthcare facilities as well as commercial and industrial buildings, raising the air quality standards for the Chinese population.

In view of this rising trend for smart air purification systems, we will continue to innovate our air purification products and systems across our three product segments, and reach out to more consumers to benefit from the clean air which our systems can bring to them.

The Group will remain focused on strengthening our presence in both Singapore and China through our core business in providing air environmental protection solutions and systems. We will continue to enhance our efforts in improving operational efficiency while explore other growth opportunities to drive growth for the Group.

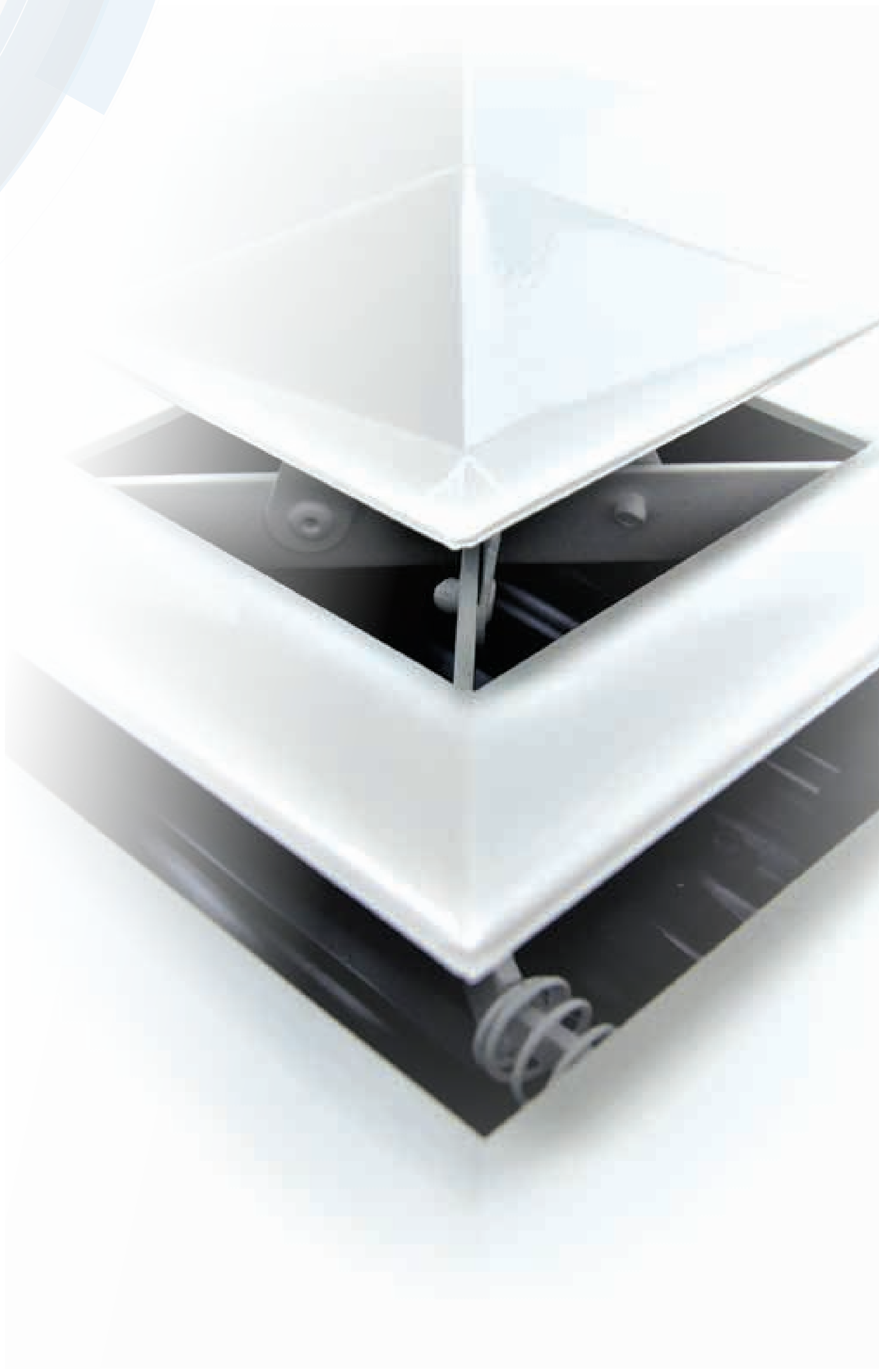
LETTER TO SHAREHOLDERS

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of the Board of Directors ("**Board**"), we extend our sincere gratitude to our customers, business partners and associates, bankers, and the management team and employees for their dedication and support for the past year. We would like to acknowledge our fellow Board Directors for their invaluable advice and support throughout the year and thank our former Chief Executive Officer and Board member, Mr. Darran Lim Wee Keong, for his commitment and invaluable contribution to the Group.

Moving forward, we remain committed to our relentless pursuit to expand our business portfolio in products and markets within the real estate sector. We are appreciative of our shareholders' support and confidence in us, and we look forward to your continued support and faith as we overcome challenges to strengthen the Group's fundamentals and enhance value for our shareholders.

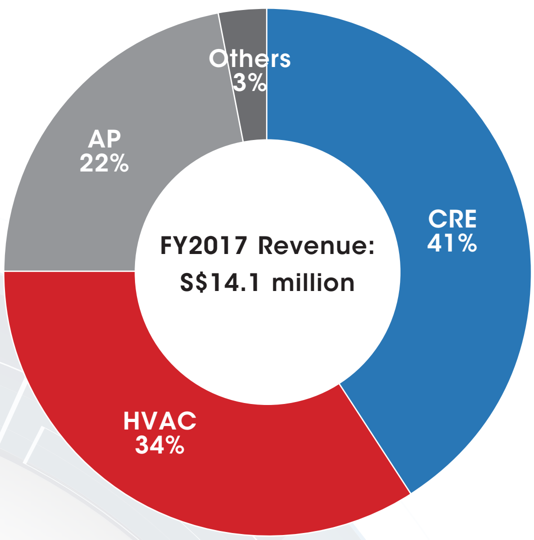
ZHANG WEI
Non-Executive Chairman

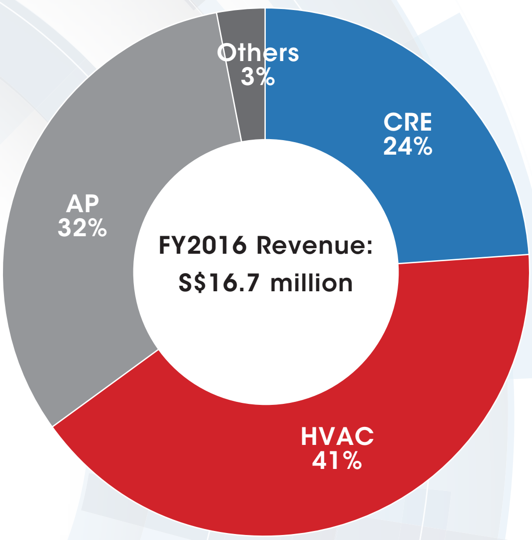


OPERATIONS REVIEW

The Group continued to overcome the challenges in its operating environment over the past year. The slowdown in the property development sector in Singapore and deferred deliveries of certain projects in China, weighed on the performance of the Group's heating, ventilation and air-conditioning ("**HVAC**") and air purification ("**AP**") segments. Nevertheless, the cleanroom equipment ("**CRE**") segment rode on the recovery of the electronics industry, particularly in the semiconductor sector, mitigated the pressure.

REVENUE BY PRODUCT SEGMENTS





Over the course of last financial year, the Group took initiatives to streamline its operations and optimise its efficiencies by relocating its production activities from Singapore to Malaysia and reinforcing its focus on strengthening innovation and development of clean air environmental technology solutions and systems for its proprietary brand of products across its three product segments at the same time.

One of its advanced technological solutions is the airflow management system for underground carparks of residential, commercial and industrial buildings, of which the Group has recently completed a project for a mixed-use building in Hainan, China. In addition, the Group has also implemented Cloud Management System with its air purification system in keeping the air quality clean for a high school in Xi'an, China. The Group integrates software and technologies designed for operating and monitoring applications, data and services residing in the cloud ("**Cloud Management System**") with its air purification system. This Cloud Management System ensures cloud computing-based resources working optimally on airflow management, air quality control and management, and performance monitoring, while

OPERATIONS REVIEW

properly interacting with users. This project is an initiative by the Group in response to the Chinese government's drive to provide clean air environment for schools in China. The Group is also able to integrate LAN (a local area network) Management System with its air purification system as an alternative option for the customers.

The adoption of such advanced technological clean and fresh air systems in real estate premises will require the Group to provide analysis, design, manufacturing of customised equipment, installation, monitoring and maintenance of the systems. This inevitably expanded the Group's functions from that of design and manufacturing and distribution, to include value-adding services such as consultation, analysis, monitoring and maintenance for our end customers.

To better represent the Group's corporate positioning, it revealed its new corporate logo in April 2017 to mark Kyodo's 33rd year of establishment in Singapore and the integrated vision of both Eindec and Kyodo brands – innovations that build on a heritage brand – with the aim of becoming a leading clean air environmental technology solutions provider under its proprietary "**Eindec**" and "**Kyodo**" brands.

Amid the slowdown in the residential and commercial property development sector in both Singapore and China, the Group continued to secure new contracts in these countries in FY2017. It has also secured three major contracts in the CRE segment from semiconductor optoelectronic, and data storage and media devices manufacturers located in Malaysia.

REVENUE BY GEOGRAPHICAL LOCATION

FYE 31 Dec (S$'000)	FY2017	FY2016	Change YoY
Singapore	**7,501**	8,520	– 12.0%
China	**3,080**	5,759	– 46.5%
Malaysia	**2,401**	648	+ 270.5%
Others	**1,120**	1,757	– 36.3%
Total Revenue	**14,102**	16,684	– 15.5%

The Group will continue to harness technology to innovate and enhance its clean air environmental smart solutions and systems, to offer better air environmental protection for everyone.

HVAC SEGMENT

The Group has a strong track record in the design, manufacture, and distribution of HVAC equipment since 1984. Its range of HVAC equipment include dampers, deflection grilles, and air diffusers to regulate the airflow within a confined space. Its products are used in commercial, residential and industrial buildings, as well as offshore platforms and vessels.

The Group has obtained ISO 9001:2008 certification for design, manufacture, and sales and marketing of its dampers. The Group is also among the first to produce Class H fire smoke dampers, which are used on oil rigs and in the offshore oil and gas industry.

CLEANROOM EQUIPMENT SEGMENT

The Group designs, manufactures and distributes cleanroom equipment, including fan filter units ("**FFUs**"), air showers, clean booths, pass boxes, clean hand dryers, and clean benches. FFUs are one of the Group's key products.

The Group is one of the first in Asia to develop the LONWORKS® FFU network control system, a centralised computer system capable of controlling thousands of FFUs. It also provides value-added design services and cleanroom equipment customised according to our customers' specifications. Currently, most of the end users of our clean room equipment are from the electronics industry.

AIR PURIFICATION SEGMENT

The Group leveraged its expertise and broadened its product offerings to include design, manufacture, and selling of its proprietary "Eindec" brand of air purifiers in 2015. These air purifier products were first launched in China and subsequently, to the Southeast Asia region.

Eindec's fresh air purification and ventilation system uses sophisticated technology which draws fresh air from outside the building and passes through three stages of the filter before re-flowing into the house to replace the stale air.

In 2017, the Group secured its first Singapore contract to supply air purification system units for Luxus Hills, a luxury landed property project in Singapore, comprising a mix of terraced houses, semi-detached units, and corner houses. This is the first time in Singapore that such air purification technology is being incorporated within the residential development. The Group has also secured another contract to supply and install air purification systems in Luneng Mansion, a residential development project in Nanjing, China.

Since the inception of this product segment, the Group has completed more than 12 projects on the implementation of air purification systems in China, covering major cities including Beijing, Shanghai, Shenzhen, Shandong, and Henan.

As the world continues to grapple with the rising air pollution, the Group is committed to continuing its research and development effort to further enhance all its air environmental protection solutions and systems to benefit the humankind.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The Group's revenue declined 15.5% year-on-year to S$14.1 million for the financial year ended 31 December 2017 ("**FY2017**") as compared to S$16.7 million for the financial year ended 31 December 2016 ("**FY2016**"). This was attributed to lower contributions from the heating, ventilation and air-conditioning ("**HVAC**") and air purification ("**AP**") segments due to the slowdown in both the Singapore and PRC real estate operating environment, which was partially offset by the cleanroom equipment ("**CRE**") segment on the back of a recovery in the semiconductor industry in Singapore.

REVENUE ANALYSIS

FYE 31 Dec (S$'000)	FY2017	FY2016	YoY Change
CRE	**5,740**	4,017	+ 42.9%
HVAC	**4,809**	6,825	– 29.5%
AP	**3,112**	5,380	– 42.2%
Others	**441**	462	– 4.5%
Total Revenue	**14,102**	16,684	– 15.5%

Gross profit for the year under review was undermined by intense market competition and higher raw material costs from higher steel prices and a stronger US dollar. According to the Economic Intelligence Unit, steel prices in China hit record levels since 2014, going above US$500 per tonne in the first half of FY2017. Consequently, gross profit decreased 33.5% year-on-year from S$6.7 million in FY2016 to S$4.4 million in FY2017, and composite gross margins declined from 39.9% in FY2016 to 31.4% in FY2017.

Other income increased from S$70,000 in FY2016 to S$0.5 million in FY2017. This was mainly due to the gain on disposal of fixed assets amounting to S$0.2 million and a two-month interest charge on the delay in repayment of a refundable deposit of S$0.3 million from a sales contract in China.

The Group's operating expenses remained relatively consistent at S$6.7 million in FY2017, as compared to S$6.9 million in FY2016. For FY2017, provision for doubtful debts of S$63,000 and impairment charges for intangible assets of S$94,000, arising from the cessation of the sale of a product related to the technology, were offset by lower depreciation expenses of S$44,000 from the disposal of the Group's plant and machinery during the year due to the relocation of its production facilities to Malaysia.

Partial repayment of loans due to the ultimate holding company reduced finance costs by 21.8% year-on-year to S$97,000 in FY2017, down from S$124,000 in FY2016.

For FY2017, the Group recognised S$33,000 in income tax expense which was offset by the overprovision of prior year's income tax expense amounting to S$33,000 from its subsidiaries in China and Singapore.

In tandem with lower revenue and gross margins, the Group recorded a S$1.8 million net loss attributable to shareholders for FY2017, as compared to a net loss of S$0.8 million in FY2016.

FINANCIAL POSITION

FYE 31 Dec (S$'000)	FY2017	FY2016	YoY Change
Non-Current Assets	**4,984**	5,054	– 1.4%
Current Assets	**16,087**	16,863	– 4.6%
Non-Current Liabilities	**279**	179	+ 55.9%
Current Liabilities	**8,907**	8,055	+ 10.6%
Working Capital	**7,180**	8,808	– 18.5%
Equity Attributable to Owners of the Company	**11,885**	13,683	– 13.1%
Net Asset Value Per Share (Cents)	**11.04**	12.70	– 13.1%

The Group's balance sheet remains strong for FY2017 with positive working capital of S$7.2 million as at 31 December 2017. Net asset value per share is approximately 11.04 Singapore cents based on 107.7 million shares as at 31 December 2017.

Non-current assets decreased marginally by 1.4% to S$5.0 million as at 31 December 2017 on the back of a 4% decline in intangible assets from S$0.7 million as at 31 December 2016 to S$0.6 million as at 31 December 2017. The decline took into account the amortisation expense of S$0.2 million and the impairment cost of S$94,000 for a discontinued technology, which was offset by the capitalisation of the development cost of S$0.3 million for a new air purification equipment.

Current assets decreased by S$0.8 million to S$16.1 million as at 31 December 2017. This was mainly due to (i) the decrease in cash and bank balances of 15.1% to S$4.2 million as at 31 December 2017, (ii) marginal decrease of 1.4% to S$8.5 million in trade and other receivables as a result of higher debtor turnover days for trade receivables on project based sales that was offset by the decrease in other receivables of S$2.0 million due to the deposit refund from a customer for a China project, and partially offset by (iii) marginal increase of 2.6% in inventories to S$3.4 million.

Shareholders' equity, comprising share capital, reserves and retained earnings, decreased 13.1% to S$11.9 million as at 31 December 2017, mainly due to the net loss for FY2017.

The Group's non-current liabilities increased 55.9% to S$0.3 million as at 31 December 2017. This was due to (i) the increase in finance lease to S$28,000 from the purchase of plant and equipment and partially offset by the reclassification of the non-current portion of finance leases of S$6,000 from non-current liabilities to current liabilities, and (ii) the increase in deferred income of S$0.1 million related to a technology under development covered by research and development grants offered by the Chinese government.

Current liabilities increased 10.6% to S$8.9 million as at 31 December 2017 with the increase of S$0.9 million in bank overdrafts and loans. The increase was mainly due to higher working capital requirements for the operations in Malaysia and higher trade and other payables, which was offset by the decrease in tax liability of S$0.6 million for FY2017.

CASH FLOW

FYE 31 Dec (S$'000)	FY2017	FY2016	YoY Change
Net Cash Used In Operating Activities	**(1,098)**	(3,299)	– 66.7%
Net Cash Used In Investing Activities	**(261)**	(389)	– 32.9%
Net Cash (Used In)/ Generate From Financing Activities	**(142)**	4,901	n.m.
Net Cash and Cash Equivalents At 31 December	**3,419**	4,924	– 30.6%

The Group's cash and cash equivalents was S$3.4 million as at 31 December 2017. The net decrease in cash and cash equivalents of S$1.5 million for FY2017 was mainly due to:

- Net cash outflow from operating activities of S$1.1 million attributed to the operating losses;
- Net cash outflow of S$0.3 million used in investing activities attributed to (i) capital expenditure of S$0.6 million, and (ii) development cost capitalised as intangible assets of S$0.3 million, which was partially offset by proceeds of S$0.6 million from the disposal of plant and equipment; and
- Net cash outflow of S$0.1 million used in financing activities attributed to the repayment of bank loans, payment of finance lease obligations and amount due to the ultimate holding company amounted to S$0.4 million, which was partial offset by proceeds from short-term financing of S$0.3 million.

BOARD OF DIRECTORS

ZHANG WEI
Non-Executive Chairman

Mr. Zhang Wei was appointed to our Board on 2 September 2015. He is responsible for providing oversight to the development of our Group's business plans.

He is currently the Executive Chairman and Chief Executive Officer of SGX-listed Weiye Holdings Limited ("**Weiye**"), our Controlling Shareholder.

He has over 20 years of experience in various management positions in real estate industry as well as construction and property development companies, including stateowned enterprises in China. Previous appointments include operations manager of China Construction No. 7 Central Company, assistant manager of Henan Xinya Property Co., Ltd, general manager and subsequently managing director of Henan Xinfeng Property Co., Ltd, general manager of Henan Province Port Company and managing director of Henan Fenghua Industry Limited Company.

He graduated from Zhongzhou University with a diploma in law in 1990. He was certified as an economist by Henan Province Science Committee in 1996. He also obtained a Master of Business Administration from Macau University of Science and Technology in 2003.

SEE YEN TARN
Independent Director

Mr. See Yen Tarn was appointed to our Board on 8 December 2015.

He is currently the Chief Executive Officer of CSC Holdings Limited, a company listed on the Main Board of the SGX-ST. He was appointed to this position in 2006.

He has more than 20 years of senior management experience in various industries and has served as chief financial officer, executive director and deputy managing director for both listed and non-listed entities in Singapore from 2004 to 2006. Prior to joining CSC Holdings Limited, he was the chief financial officer of Longcheer Holdings Limited. From 2001 to 2004, he was the chief financial officer of Amanda Group Holdings Pte. Ltd., a company which specialised in the processing and export of frozen seafood products.

From 1993 to 2001, he was the Executive Director and Chief Financial Officer, and subsequently deputy Managing Director, of Tuan Sing Holdings Limited.

He holds a Bachelor of Accountancy from the National University of Singapore. He is qualified as a chartered accountant in England and Wales.

WONG CHEE MENG LAWRENCE
Independent Director

Mr. Lawrence Wong is our Independent Director and was appointed to our Board on 8 December 2015.

He is the Managing Director of Equity Law LLC and also heads its Corporate and Securities practice. He is an experienced and established corporate practitioner and was previously a partner of reputable law firms. He co-headed the Corporate and Securities Practice of his previous firm and also headed its subsidiary, an approved SGX continuing sponsor.

His areas of practice include corporate and securities laws, capital markets, mergers and acquisitions, corporate restructuring, joint ventures, corporate and commercial contracts, regulatory compliance and corporate governance advisory and corporate secretarial work. He has led numerous initial public offerings, reverse take-overs, secondary fund raising and cross-border merger and acquisitions exercises.

He graduated from the National University of Singapore in 1991 with an honours degree in law on a scholarship from the Public Service Commission of Singapore. Subsequently, he has accumulated an extensive working experience in both the public and the private sectors of the legal profession. He is an advocate and solicitor in Singapore and a solicitor in Hong Kong SAR.

He currently sits on the board of directors of several public listed companies and has been recognised in leading legal publications such as IFLR 1000, The Legal 500 Asia Pacific and Acquisition International.

JEFFREY ONG SHEN CHIEH
Independent Director

Mr. Jeffrey Ong was appointed to our Board on 8 December 2015.

He is currently the Managing Director of Sakal Investments Limited, a private equity investment firm, where he is responsible for the origination of investment opportunities across Asia as well as overseeing the transaction execution of the investment opportunities. He has held the position since March 2016.

From 2001 to 2003, he was an investment executive with Khong Guan Biscuits Factory Pte. Ltd., where he was involved with feasibility studies and project management for the property investment arm of the company. From 2003 to 2006, he was an investment manager with Apec Investments Limited. From 2006 to 2008, he was a senior manager with Provenance Capital Pte. Ltd., undertaking various aspects of corporate finance advisory work including initial public offerings. From 2008 to 2012, he assumed the role of vice-president – investments at EV Capital Pte Ltd, where his work included due diligence and feasibility studies for investments. From March 2012 to February 2016, he was the head of new business development at ORIX Leasing Singapore Limited where he was responsible for developing new businesses for the company through both product development and acquisitions. He is also an Independent Director of Kakiko Group Limited, a company listed on Hong Kong Stock Exchange ("**HKEX**") and Elec & Eltek International Company Limited, which is dual listed on the HKEX and Singapore Stock Exchange.

He holds a Bachelor of Science degree in Real Estate from the National University of Singapore.

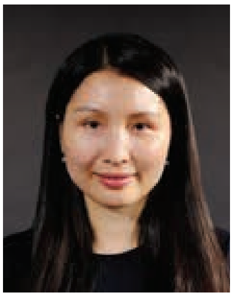
KEY MANAGEMENT

TAY MENG HENG
Acting Chief Executive Officer

Mr. Tay Meng Heng was appointed as acting Chief Executive Officer of the Group on 26 December 2017. Supported by the management team, he is responsible for the Group's overall business operation and performance until the Company identifies a suitable candidate.

Mr. Tay is currently the Chief Financial Officer of Weiye, the holding company of the Group, since October 2012. He is responsible for the overall accounting and finance operation of Weiye's Group. Prior to joining Weiye, Mr. Tay was a general manager, corporate finance of Falcon Capital Partners Pte. Ltd., a related company of RGE Group from November 2010 to September 2012 and was responsible for ship financing for woodchip bulk carriers. He worked in Advanced Systems Automation Limited, a semiconductor auto moulding equipment supplier listed on the Catalist of the SGX-ST, from October 1994 to October 2010, where he was promoted from the position of management accountant to vice president of finance, and was the overall in-charge of accounting and finance of the Company. He worked as an audit assistant and promoted to senior accountant in Ernst & Young in Singapore from July 1992 to 1994. Mr. Tay has 26 years of professional experience in private and public listed companies from diverse industries, especially in accounting and finance, company initial public offering, corporate finance and corporate debt restructuring.

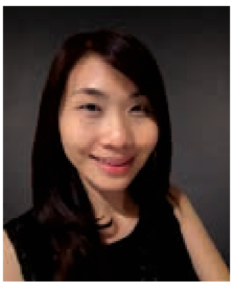
Mr. Tay obtained a Bachelor of Accountancy degree (Honours) from the Nanyang Technological University, Singapore in May 1992. He is also a member of Institute of Singapore Chartered Accountants.



TANG SIN
Vice President (Country Manager, PRC)

Ms. Tang Sin is responsible for the overall management of our Group's operations in the People's Republic of China since April 2015. Prior to joining our Group, she was general manager of Dongguan C. RAY Automatic Technology Co., Ltd (東莞市希銳自動化科技股份公司) from 2009 to March 2015, where she was responsible for the overall management of the company. From 2000 to 2015, she was general manager of Dongguan Xiegang Yuxing Plating Equipment Factory (東莞市謝崗鎮裕興電鍍設備廠), where she oversaw the overall operations of the company.

She holds a Master of Business Administration from Sun Yat-Sen University. She is the vice president of the Shenzhen Surface Treatment Association (深圳市工業表面處理行業協會) and a director of the Women Entrepreneurs Association of Guangdong Province (廣東省東莞市女企業家協會常平分會).



QUEENIE FOO QUEK CHENG
Chief Financial Officer

Ms. Queenie Foo is responsible for the entire financial management and statutory reporting for the Group since 16 August 2017.

Prior to joining our Group, Ms. Foo was the Chief Financial Officer of Heatec Holdings Ltd ("**Heatec**"), a company listed on the Catalist of the SGX-ST from July 2014 to August 2017, and was a Group Financial Controller of Heatec from September 2011 to June 2014, responsible for Heatec's corporate finance and accounting function and corporate secretarial matters. From January 2008 to August 2011, she was a Finance Manager of Asia Media Systems Pte. Ltd., responsible for regional financial reporting and had involved in a number of corporate exercises. She has 14 years of experience in auditing and accounting in various sectors including manufacturing, trading, plantations, property developer and investment holding company.

Ms. Foo is a certified Practicing Accountant of CPA Australia and holds a Degree of Bachelor of Commerce, major in Accounting from University of Adelaide, Australia.

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors ("**Board**") of Eindec Corporation Limited ("**Company**" and together with its subsidiaries, "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December 2017 ("**FY2017**"), with specific reference made to the principles of the Code of Corporate Governance 2012 ("**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2016 ("**Guide**").

Pursuant to the listing of the Company on the SGX-ST on 15 January 2016 up till the date of this Annual Report, the Group has complied substantially with the principles and guidelines of the Code, where there are deviations from the recommendations of the Code, we have provided the reasons and explanations in relation to the Company's practices, where appropriate.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code?	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. The specific principles and guidelines of the Code ("**Guidelines**") which the Company has not adopted are Guidelines 4.4, 8.4, 9.2, 9.3 and 14.3. The Company have provided explanations for deviation from the Code.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	**Guideline 4.4** Deviation The Board has not determined the maximum number of listed company board representations which any Director may hold. Alternative corporate governance practice: The NC is satisfied that despite some of the Directors having other Board representations, these Directors are able to and have adequately carried out their duties as Directors of the Company. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems necessary. Please refer to the response in Guide description (b) of Guideline 4.4 on page 21 of the Annual Report. **Guideline 8.4** Deviation The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

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		Alternative corporate governance practice: The Company has in place alternate corporate governance practices described herein such as Whistle-Blowing Policy and outsourced internal audit function as checks and balances to prevent the occurrence of such instances. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide. **Guideline 9.2** Deviation Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each Director in Annual Report. Alternative corporate governance practice: The Company has disclosed the remuneration matters based on remuneration bands. **Guideline 9.3** Deviation (a) Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each key management personnel in Annual Report. (b) The Board, on review, decided not to disclose in aggregate the total remuneration paid to the relevant key management personnel (who are not Director or the CEO) to prevent poaching of key management personnel. Alternative corporate governance practice: The Company has disclosed the remuneration matters based on remuneration bands. **Guideline 14.3** Deviation The Company has not adopted the recommendations to allow corporations which provide nominee or custodial services to appoint more than 2 proxies as the Company's Constitution does not provide for the same. Alternative corporate governance practice: On 3 January 2016, the legislation was amended, among other things to allow certain member, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirements. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	The Board is of the view that the alternative corporate governance practices as described above and adopted by the Company in lieu of the recommendations in the Code, put in place the internal processes and controls that allow the Group to safeguard its commercial interest, which is crucial in developing long-term value to the Company's shareholders, without compromising on its commitment to maintain high standards of corporate governance, disclosure and transparency to them.

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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
BOARD MATTERS		
The Board's Conduct of Affairs		
Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.		
1.1	What is the role of the Board?	Th Board has 4 members and comprises the following: **Name of Directors** — **Board** Zhang Wei — Non-Executive Chairman See Yen Tarn — Independent Director Jeffrey Ong Shen Chieh — Independent Director Wong Chee Meng Lawrence — Independent Director The Board's primary role is to protect and enhance long-term shareholder value. It sets the overall strategy and policies for the Group and supervises management ("**Management**"). To fulfil this role, the Board sets the Group's strategic direction, Company's values and standards, establishes goals for Management and monitors the achievement of these goals, reviewing management performance, identifying key stakeholder groups, key operational initiatives, performance and measurement, internal controls and risk management, major funding and investment proposals, financial performance reviews, corporate governance practices and sustainability issues, thereby taking responsibility for the overall corporate governance of the Group. The principal functions of the Board, apart from its statutory responsibilities, include: • providing entrepreneurial leadership and sets the overall strategy and direction of the Group; • reviewing and overseeing the management of the Group's business affairs, financial controls, performance and resource allocation; • approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies; • overseeing the processes of risk management, financial reporting and compliance and evaluate the adequacy of internal controls; • approving the release of the Group's half-year and full-year financial results, interested person transactions of material nature; and • appointing directors and key management staff, including the review of performance and remuneration packages; and • assuming the responsibilities for corporate governance.
1.2	All directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the company.	All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and objectively discharge their duties and responsibilities at all times and take objective decisions in the interests of the Company.
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	To assist in the execution of its responsibilities, the Board delegate its decision making authority to three Board Committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively "**Board Committees**"). These Board Committees which operate within clearly defined terms of reference and they play an important role in ensuring good corporate governance in the Company and within the Group. The terms of reference of the Board Committees are reviewed on a regular basis to ensure their continued relevance. The composition of the Board Committees are as follows: **Name of Director** — **AC** / **NC** / **RC** See Yen Tarn — Chairman / Member / Member Jeffrey Ong Shen Chieh — Member / Chairman / Member Wong Chee Meng Lawrence — Member / Member / Chairman

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board holds regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of the results of the Group. Adhoc meetings are convened when circumstances require. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction. Meetings via telephone or video conference are permitted by the Company's Constitution.

The number of meetings held and the attendance of each member at the Board's meetings and Board Committees' meetings throughout FY2017 are as follows:

<table>
<tr><th rowspan="4">Name of Directors</th><th colspan="2" rowspan="2">Board</th><th colspan="6">Board Committees</th></tr>
<tr><th colspan="2">AC</th><th colspan="2">NC</th><th colspan="2">RC</th></tr>
<tr><th colspan="2">No. of meetings</th><th colspan="2">No. of meetings</th><th colspan="2">No. of meetings</th><th colspan="2">No. of meetings</th></tr>
<tr><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th><th>Held</th><th>Attended</th></tr>
<tr><td>Mr. Zhang Wei</td><td>2</td><td>2</td><td>2</td><td>2*</td><td>2</td><td>2*</td><td>2</td><td>2*</td></tr>
<tr><td>Mr. See Yen Tarn</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td></tr>
<tr><td>Mr. Jeffrey Ong Shen Chieh</td><td>2</td><td>1</td><td>2</td><td>2</td><td>2</td><td>1</td><td>2</td><td>1</td></tr>
<tr><td>Mr. Wong Chee Meng Lawrence</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td><td>2</td></tr>
<tr><td>Mr. Darran Lim Wee Keong[(1)]</td><td>2</td><td>1</td><td>2</td><td>1*</td><td>2</td><td>1*</td><td>2</td><td>1*</td></tr>
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* By invitation

(1) Mr. Darran Lim Wee Keong was appointed as the Executive Director on 24 February 2017. He resigned as the Executive Director on 26 December 2017.</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>The Group had adopted a set of internal guidelines setting forth financial authorisation and approval limits for investments, acquisitions and disposals. Transactions falling outside the ordinary course of business and where the value of a transaction exceeds these limits have to be approved by the Board.

Matters requiring the Board's decision and approval include the followings:

(1) Group's major investments/divestments and funding decisions;
(2) Group's announcements or press releases released via SGXNet, including financial result announcements;
(3) Agreement which is not in the ordinary course of business;
(4) Major borrowings or corporate guarantees in relation to borrowings;
(5) Authorisation of new banking facilities and corporate guarantee;
(6) Entry into any profit-sharing arrangement;
(7) Incorporation or dissolution of any subsidiary;
(8) Issuance of shares or declaration of dividends;
(9) Operating budgets, annual report, Directors' statement and audited financial statements;
(10) Change in corporate business strategy and direction; and
(11) Material acquisitions and disposal of assets.</td></tr>
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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.6	(a) Are new Directors given formal training? If not, please explain why.	The Company does not have a formal training programme for the Directors but all newly appointed Directors will undergo an orientation in order to be provided with background information about the Group's history, strategic direction and industry-specific knowledge. The Company will also arrange for first-time Directors to attend training in relation to the roles and responsibilities of a Director of a listed company and in areas such as accounting, legal and industry specific knowledge, as appropriate.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	(i) The Management regularly updates and familiarises the Directors on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities and meet the Management so as to gain a better understanding of the Group's business. (ii) The Directors are also updated regularly with changes to the SGX-ST Manual Section B: Rules of Catalist ("**Catalist Rules**"), risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. (iii) The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties. (iv) New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority which are relevant to the Directors are circulated to the Board. The Company Secretary informed the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Annually, the EA update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.
1.7	Upon appointment of each director, has the company should provide a formal letter to the director, setting out the director's duties and obligations?	A formal letter of appointment would be furnished to every newly appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as member of the Board.
Board Composition and Guidance		
Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	In view that the Chairman of the Board ("**Chairman**") is not an independent director, Guideline 2.2 of the Code is met as the Independent Directors make up 60% of the Board. Although the Board currently does not have a Lead Independent Director, the Independent Directors make up more than half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision making. The Independent Directors collectively are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or Management. The Board will appoint a Lead Independent Director as and when deemed appropriate.

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2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC considers an "**independent**" Director as one who has no relationship with the Company, its related corporations or its officers that could interfere or be reasonable perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company. For FY2017, the NC has reviewed the independence of each Independent Director in accordance with the Code and is of the view that these Directors are independent. The Independent Directors have also confirmed their independence in accordance with the Code.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	The Independent Directors do not have any relationship as stated in the Code that would otherwise deem him not to be independent.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	There is no Independent Director who has served on the Board beyond nine years from the date of his first appointment.
2.5	Has the Board examine its size and decide on what it considers an appropriate size for the Board, which facilitates effective decision making?	The NC has reviewed the size and composition of the Board. The NC is satisfied that the current size and composition of the Board is appropriate and provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Company, which facilitates effective decision-making. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board's policy in identifying director nominees is primarily to have the Directors who are qualified and experienced in various fields including business administration, strategic planning, business management, legal, accounting and finance.

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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board comprises of persons who as a group, have core competencies necessary to lead and manage the Group's businesses and operations.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board (%)</th></tr>
<tr><td>Core competencies</td><td></td><td></td></tr>
<tr><td>• Accounting or finance</td><td>2</td><td>50</td></tr>
<tr><td>• Business management</td><td>3</td><td>75</td></tr>
<tr><td>• Legal or corporate governance</td><td>2</td><td>50</td></tr>
<tr><td>• Relevant industry knowledge or experience</td><td>3</td><td>75</td></tr>
<tr><td>• Strategic planning experience</td><td>3</td><td>75</td></tr>
<tr><td>• Customer based experience or knowledge</td><td>3</td><td>75</td></tr>
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The Board is presently all-male.</td></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective to issues that are brought before the Board.

In addition, the Directors are encouraged to attend seminars and receive training to improve themselves in discharge of Directors' duties and responsibilities as well to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are relevance to the Group.</td></tr>
<tr><td>2.7</td><td>How have the Non-Executive Directors:

(a) constructively challenge and help develop proposals on strategy; and

(b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance?</td><td>The role of the Non-Executive Directors (including the Independent Directors) is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined and take into account the long-term interests of not only the shareholders, but also of the employees, customers, suppliers and the communities in which the Group conducts its business and reviewing the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

The NC considers its Non-Executive Directors (including the Independent Directors) to be of sufficient calibre and size and their views to be of sufficient weight such that no individual of small group of individual dominates the Board decision-making process.</td></tr>
<tr><td>2.8
3.4</td><td>Have the Non-Executive Directors/ Independent Directors met in the absence of key management personnel in the last financial year?</td><td>Yes. The Company co-ordinates informal meeting sessions for Non-Executive Directors (including the Independent Directors) to meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.

For FY2017, the Non-Executive Directors (including the Independent Directors) had met once in the absence of the Management.</td></tr>
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<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Chairman and Chief Executive Officer</u></td></tr>
<tr><td colspan="3">Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.</td></tr>
<tr><td>3.1
3.2</td><td>Are the duties between Chairman and Chief Executive Officer ("CEO") segregated?</td><td>Mr. Zhang Wei is the Non-Executive Chairman while Mr. Darran Lim Wee Keong was the CEO of the Company from 17 October 2016 to 26 December 2017. Mr. Zhang Wei and Mr. Darran Lim Wee Keong are not related.

While the Company is the midst of identifying a suitable candidate to replace the role of Mr. Darran Lim, Mr. Tay Meng Heng, the Chief Financial Officer of Weiye Holdings Limited, the holding company of the Company, has been appointed as the acting CEO and assumes the roles and responsibilities of Mr. Darran Lim, supported by the management team of the Company. Mr. Zhang Wei and Mr. Tay Meng Heng are not related.

The roles of the Non-Executive Chairman and CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Non-Executive Chairman 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 Executive Directors and the Senior Management team of the Company and the Group.

The responsibilities of the Non-Executive Chairman include:

(1) Scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
(2) Ensuring that Directors receive accurate, timely and clear information, and ensuring effective communication with shareholders;
(3) Ensuring the Group's compliance with the Catalist Rules and the Code; and
(4) Acting in the best interest of the Group and of the shareholders.

The Company Secretary may be called to assist the Non-Executive Chairman in any of the above.

The role of the CEO including the execution of strategic business directions as well as oversight of the operations and business development of the Group.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Non-Executive Chairman is not part of the management team of the Company. The Independent Directors of the Company meet amongst themselves without the presence of the other Director where necessary, and will provide feedback to the Non-Executive Chairman after such meetings.</td></tr>
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Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Membership		
Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.		
4.1 4.2	What are the duties of the NC?	The NC has its terms of reference, setting out their duties and responsibilities, which include the followings: (a) to make recommendations to the Board on all board appointments, including re-nominations, having regard to the Director's contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, as an Independent Director; (b) to determine annually whether or not a Director is independent; (c) in respect of a Director who has multiple board representations on various companies, to decide whether or not such director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced when serving on multiple boards; (d) to review and approve any new employment of related persons and the proposed terms of their employment; and (e) to decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value; and (f) to implement a process for assessing the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director to the effectiveness of the Board. The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting potential new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge and experience of the candidate to enable the Board to fulfil its responsibilities.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits.
	(b) If a maximum has not been determined, what are the reasons?	Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company taking into consideration time and resources allocated to the affairs of the Company. The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, not guided by a numerical limit, and that all the Directors are able to devote to the Company's affairs in light of their other commitments. Therefore, the Board has not capped the maximum number of board representations each Director is allowed to hold.
	(c) What are the specific considerations in deciding on the capacity of directors?	The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business. The NC would take into consideration, amongst other things, the Directors' contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), independence, other board representations, and any other factors as may be deemed relevant by the NC.

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	(b) Have the Directors adequately discharged their duties?	The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2017.
4.5	Are there alternate Directors?	There is no alternate director being appointed to the Board.
4.6	Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting new Directors, the NC will seek to identify the competencies required as well as evaluate the profession, knowledge, experience, commitment ability to contribute to the Board process and such other qualities and attributes that may be required by the Board of the candidate to enable the Board to fulfil its responsibilities. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. The NC would meet and interview the shortlisted candidates to assess their suitability. Recommendations for new Directors are put to the Board for its consideration and/or approval. The NC makes recommendation to the Board on re-appointment of Directors based on the performance criteria set by the Board such as the Director's attendance record at meetings of the Board and Board Committees, participation at meetings and contributions to the Group's business and affairs, taking into considering the current needs of the Board. The Company's Constitution requires one-third of the Board to retire by rotation at every Annual General Meeting ("**AGM**"). Each Director shall retire from office once every three years. Pursuant to Regulation 98 of the Company's Constitution, at each AGM at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Pursuant to Regulation 102, Directors of the Company who were newly appointed by the Board since the last AGM will have to retire at the forthcoming AGM. A retiring Director shall be eligible for re-election at the meeting at which he retires. Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director. The NC has recommended to the Board that Mr. See Yen Tarn and Mr. Wong Chee Meng Lawrence, be nominated for re-election at the forthcoming AGM. The Board had accepted the NC's recommendation. Mr. See Yen Tarn and Mr. Wong Chee Meng Lawrence being the members of the NC, who are retiring at the AGM abstained from voting on the resolutions in respect of their re-nomination as a Director.

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4.7	Please provide the following key information regarding the Directors'. • academic and professional qualifications • Shareholding in the Company and its related corporation • Board committees served on (as a member or chairman), date of first appointment and last re-appointment as a director; • Directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments; • Indicate which directors are executive, non-executive or considered by the NC to be independent; and • The names of the directors submitted for appointment or re-appointment should also be accompanied by such details and information to enable shareholders to make informed decisions.	Please refer to pages 39 and 40 of the Annual Report.
Board Performance		
Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	The NC, together with the Board, has considered the guidelines contained in the Code and had adopted a formal process using a set of performance criteria for the evaluation of the performance of the Board as a whole. The NC conducts a formal review of the Board performance annually, by way of a Board evaluation form which is circulated to the Board members for completion. The summary of the evaluation together with the feedback and recommendations from each Director will be discussed and reviewed by the NC. The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters: (a) Board composition; (b) Board information; (c) Board process; (d) Board accountability; (e) CEO/ top management; and (f) Standard of conduct. The factors taken into consideration for assessing the Directors include each Director's level of participation and attendance at Board and Board Committee meetings, his qualification, experience and expertise and the time and effort dedicated to the activities of each Board Committees, and to the Group's business and affairs, including the Management's access to the Directors for guidance or exchange of views as and when necessary.

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	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	The Board has implemented a process to evaluate its performance of the Board and respective Board Committees through the adoption of the formal evaluation forms for the Board as a whole and Board Committees. The Board Committees have not been evaluated separately but together with the Board as a whole. In assessing the effectiveness of the Board as a whole, both quantitative and qualitative criteria are considered. The evaluation of Board and respective Board Committees performance will be conducted annually based on the formal evaluation forms and the results of the evaluation exercises would be collated by the Company Secretary for the NC's review and consideration, which then made recommendations to the Board on enhancements to improve the effectiveness of the Board and Board Committees. No external facilitator was engaged in the evaluation process for FY2017.
	(b) Has the Board met its performance objectives?	The Board has met to discuss the evaluation of the Board and Board Committees' performance and is of the view that it has satisfactory met its performance objectives for FY2017.
Access to Information		
Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.		
6.1 6.2 10.3	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	The Management strives to provide Board members with adequate and timely information for Board and Board Committees meetings on an ongoing basis. The Board and Board Committees papers are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees papers include sufficient information on financial, budgets, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board receives half yearly management financial statements, cash flow projections, annual budgets and explanation on material forecasts variances to enable them to oversee the Group's operational and financial performance as well as risks faced by the Group. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations. All Directors have unrestricted access to the Company's records and information. The Directors may also liaise with the Management as and when required to seek additional information. In addition, the Board also has separate and independent access to the Management and the Company Secretaries, who are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries and/or their representatives attend all the Board and Board Committees meetings. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Chairman or the Chairman of the Board Committees requiring such advice) will be appointed at the Company's expense.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3 6.4	What is the role of the Company Secretary?	The Company Secretary or her representative administers, attend and prepare minutes of all Board and Board Committees meetings and assists the Chairman of the Board and/or the AC, RC and NC in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively. The appointment and removal of the Company secretary is subject to the Board's approval.
REMUNERATION MATTERS		
Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.		
Developing Remuneration Policies		
7.1 7.2 7.4	What is the role of the RC?	The RC has its terms of reference, setting out their duties and responsibilities, which include the followings: (g) to recommend to our Board a framework of remuneration for our Directors and key management personnel, and to determine specific remuneration packages for each Executive Director (if any) and any CEO (or executive of equivalent rank) and key management personnel, if such CEO and key management personnel is not an Executive Director, such recommendations to be submitted for endorsement by our entire Board and should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, benefits in kind; (h) in the case of service contracts (if any) for any Director or key management personnel, to consider what compensation commitments the Directors' or key management personnel' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance; and (i) in respect of any long-term incentive schemes including share schemes as may be implemented, to consider whether any Director should be eligible for benefits under such long-term incentive schemes. No Director will be involved in determining his own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. In reviewing the service agreements of the Executive Directors and key management personnel of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.
7.3	Were remuneration consultants engaged in the last financial year?	The Board did not engage any external remuneration consultants to advise on remuneration matters in FY2017.
Level and Mix of Remuneration		
Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.		
8.1	What are the measures for assessing the performance of executive directors and key management personnel?	The remuneration for the Executive Directors and key management personnel comprises fixed and variable components. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director and key management personnel.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
8.2	Are there long-term incentive schemes for Executive Directors and key management personnel?	The Company has adopted the Eindec Performance Share Plan 2015 ("**PSP**") to: • foster an ownership culture within the Group which aligns the interests of participants with the interests of shareholders; • motivate participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and • make total employee remuneration sufficiently competitive to recruit new participants and/or retain existing participants whose contributions are important to the long-term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company. The full time employees of the Group, the directors of the Company and its subsidiaries, controlling shareholders and associates of controlling shareholders are eligible to participate in the PSP in accordance with the Rules of the PSP. Employees who are controlling shareholders or associates of controlling shareholders shall not participate in the PSP unless their participation and the terms of each grant and the actual number of awards to be granted to them have been approved by the independent shareholders in general meeting in separate resolutions for each such person.
8.3	How is the remuneration for Non-Executive Directors (including Independent Directors) determined?	The Non-Executive Directors (including Independent Directors) receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. Particularly for the Independent Directors, they shall not be over-compensated to the extent that their independence may be compromised. Directors' fees are endorsed by the RC and recommended by the Board for shareholders' approval at the AGM of the Company.
8.4	Are there any contractual provisions to allow the company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the company?	The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors (if any) and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors (if any) owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.
Disclosure on Remuneration		
Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.		
9	What is the Company's remuneration policy?	The Company's remuneration policy is to reward successful performance and attract, retain and motivate Directors and key management personnel. The RC will take into account the industry norms, the Group's, performance as well as the contribution and performance of each Director when determining remuneration packages. The RC will review the remuneration of the Directors and key management personnel from time to time.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>
The details of the level and mix of remuneration of the Directors in FY2017 are as follows:
<table>
<tr><th>Remuneration Band and Name of Directors</th><th>Salary (%)</th><th>Bonus (%)</th><th>Other Benefits (%)</th><th>Share Options (%)</th><th>Directors' Fees (%)</th><th>Total (%)</th></tr>
<tr><td colspan="7">Below S$250,000</td></tr>
<tr><td>Mr. Darran Lim Wee Keong[1]</td><td>100</td><td>–</td><td>–</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Mr. Zhang Wei</td><td>–</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Mr. See Yen Tarn</td><td>–</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Mr. Jeffrey Ong Shen Chieh</td><td>–</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Mr. Wong Chee Meng Lawrence</td><td>–</td><td>–</td><td>–</td><td>–</td><td>100</td><td>100</td></tr>
<tr><td>Tay Meng Heng[2]</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
</table>
Notes:
(1) Mr. Darran Lim Wee Keong was appointed as the Executive Director of the Company on 24 February 2017. He resigned as the Executive Director and CEO of the Company on 26 December 2017.
(2) Mr. Tay Meng Heng was appointed as acting CEO on 26 December 2017. Mr. Tay did not receive any remuneration for FY2017.

The above remuneration has been pro-rated according to their date of appointment or date of resignation (where applicable).

Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each Director in Annual Report and that the disclosure based on the above remuneration bands is appropriate.

For FY2017, there were no terminations, retirement or post-employment benefits granted to the Directors other than the standard contractual notice period termination payment in lieu of service.
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	As at 31 December 2017, the Group has only two (2) key management personnel (who are not Directors and CEO). The details of the remuneration of relevant key management personnel of the Group in FY2017 are as follows: (see table below)

Name of Key Management Personnel	Salary (%)	Bonus (%)	Other Benefits (%)	Share Options (%)	Total (%)
Below S$250,000					
Eddie Tan Meng Seah[(1)]	93.7	6.3	–	–	100
Tang Sin	100	–	–	–	100
Andy Tan Kian Kok[(2)]	86.8	7.0	6.2	–	100
Queenie Foo Quek Cheng[(3)]	100	–	–	–	100

Notes:

(1) Mr. Eddie Tan Meng Seah resigned as Vice President (Operations and Clean Room Equipment Sales) on 21 April 2017.

(2) Mr. Andy Tan Kian Kok resigned as Group Financial Controller on 8 June 2017.

(3) Ms. Queenie Foo Quek Cheng was appointed as the Chief Financial Officer ("**CFO**") on 16 August 2017.

The above remuneration has been pro-rated according to their date of appointment or date of resignation (where applicable).

Given the competitive business environment and possible negative impact on the Group's business interest, the Board, on review, decided not to disclose the exact remuneration of each key management personnel in Annual Report and that the disclosure based on the above remuneration bands is appropriate.

For FY2017, there were no terminations, retirement or post-employment benefits granted to the key management personnel other than the standard contractual notice period termination payment in lieu of service.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The Board, on review, decided not to disclose in aggregate the total remuneration paid to the key management personnel (who are not Director or the CEO) to prevent poaching of key management personnel.
9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	There were no employees of the Group who were immediate family members of a Director or CEO whose remuneration exceeded S$50,000 in FY2017.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>Information on the Company's PSP is set out on pages 41 of this Annual Report. No shares were awarded under the PSP since the commencement of the PSP up to the date of this report.

Further details of the PSP are set out in the Company's Offer Document dated 6 January 2016.</td></tr>
<tr><td>9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration for the Executive Directors (if any) and key management personnel comprise fixed and variable components. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director and key management personnel.

The performance of the Executive Director and key management personnel is reviewed periodically by the RC and the Board.</td></tr>
<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining remuneration packages.

The following performance conditions were chosen to determine the entitlement for the Executive Director and key management personnel under the short-term incentives and long-term incentives:

<table>
<tr><th>Performance Conditions</th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as PSP)</th></tr>
<tr><td>Qualitative</td><td>• Leadership
• People development
• Commitment
• Teamwork
• Current market and industry practices</td><td>• Leadership
• People development
• Commitment
• Teamwork
• Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>• Relative financial performance of the Group in terms of profit to its industry peer
• Positive sales revenue</td><td>• Relative financial performance of the Group in terms of profit to its industry peer</td></tr>
</table></td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>The RC noted that Management was striving to achieve the performance and is satisfied with the performance conditions met for FY2017</td></tr>
<tr><td colspan="3">ACCOUNTABILITY AND AUDIT</td></tr>
<tr><td colspan="3"><u>Accountability</u></td></tr>
<tr><td colspan="3">Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.</td></tr>
<tr><td>10.1
10.2</td><td>The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.</td><td>The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and half-yearly results to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance and position and prospects.

The Management understands its role to provide all members of the Board with a balanced and understandable assessment of the Group's performance, position and prospects. The Management provides the Board with appropriately detailed information on the Company's performance, position, and prospects on half yearly basis and when deem appropriate.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Risk Management and Internal Controls		
Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.		
11.1	The Board should determine the company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	The Board acknowledges its responsibility for the governance of risk and ensures that the Management maintains a sound system of internal controls and effective risk management policies to safeguard the shareholders' investment and the Company's assets. However, the Board also acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate risks of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, there are maintenance of proper accounting records, financial information are reliable, and assets are safeguarded.
11.2 11.4	The Board should, at least annually, review the adequacy and effectiveness of the company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	Management is responsible for designing, implementing and monitoring the risk management and internal control systems within the Group. Management regularly reviews the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Any significant matters are highlighted to the Board and the AC for their deliberation. To further review the adequacy and effectiveness of internal controls on an annual basis, the AC is assisted by various independent professional service providers such as the IA and EA.
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	Material non-compliance or weaknesses in internal controls or recommendations from the IA and EA to further improve the internal controls were reported to the AC including the Management action plans to be undertaken to address the recommendations. The AC also follows up on the actions taken by the Management on the recommendations made by the IA and EA arising from their work performed. Based on the reports submitted by the IA and EA received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls are not satisfactory based on the current size and nature of the Company's business. To further enhance the risk management procedures in place, the Group is working with its IA, Nexia TS Risk Advisory Pte. Ltd., to establish a structured Enterprise Risk Management ("**ERM**") framework which will provide documented guidance on the process for identifying and assessing risks, adequacy of countermeasures and the manner in which risks matters are reported to the Board and AC. Based on the internal controls established and maintained by the Group, work performed by the IA and EA, reviews performed by Management and the controls and processes which are currently in place, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective in addressing the financial, operational, compliance and information technology control risks of the Group as at 31 December 2017.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Directors have received and considered the representation letters from the acting CEO and CFO in relation to the financial information for FY2017. The acting CEO and the CFO have assured the Board that: a. The financial records have been properly maintained and the financial statements for the FY2017 give a true and fair view in all material respects, of the Company's operations and finances; and b. The Group's internal control and risk management systems are operating effectively in all material respects given its current business environment.
Audit Committee		
Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.		
12.1 12.3 12.4	What is the role of the AC?	The AC has its terms of reference, setting out their duties and responsibilities, which include the followings: (a) review with the EA the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response; (b) review with the internal audit department the internal audit plan and evaluate the adequacy of the Group's internal control and accounting system; (c) review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements; (d) review the internal control and procedures, ensure co-ordination between the EA and the Management, review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary); (e) review any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response; (f) review, where applicable, the role and effectiveness of the internal audit procedures; (g) review and approve interested person transactions and review procedures thereof; (h) consider the appointment or re-appointment of the EA and matters relating to resignation or dismissal of the IA and EA; (i) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time; (j) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; (k) review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports of the Company or, where the findings are material, to announce such material findings immediately via SGXNET; and (l) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>12.2</td><td>Are the members of the AC appropriately qualified to discharge its responsibilities?</td><td>The Board is of the view that the AC members possess experience in finance, legal and business management which are appropriately qualified, having the relevant accounting or related financial management expertise to discharge their responsibilities.</td></tr>
<tr><td>12.5</td><td>Has the AC met with the auditors in the absence of key management personnel?</td><td>The AC will meet with the IA and EA without the presence of Management, as and when necessary, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the EA.

The AC has met the IA and EA once without the presence of Management for FY2017.</td></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such service would not prejudice the independence of the EA.

The AC recommends to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the EA and approving the remuneration of the EA. The AC has recommended to the Board the nomination of KPMG LLP for re-appointment as EA of the Company at the forthcoming AGM. The Company confirms that Rule 712 and Rule 715 of the Catalist Rules have been complied with.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>The aggregate amount paid to the EA for audit and non-audit services for FY2017 are as follows:
<table><tr><th></th><th>S$'000</th></tr><tr><td>Audit Fees</td><td>120</td></tr><tr><td>Non-audit Fees</td><td>14</td></tr></table></td></tr>
<tr><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>The AC conducts an annual review of all non-audit services provided by the EA. The AC received an audit report from the EA setting out the non-audit services provided and fees charged for FY2017. The AC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the EA.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>The AC is given the task of commissioning investigation into matters where there is suspected fraud or irregularity, or failure of internal control or infringement of any law, rule or regulation which has or likely to have a material impact on the Company's operating results or financial position, and to review its findings.

The Group has implemented a whistle blowing policy whereby a designated mailing address and email address are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/ or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>12.8</td><td>What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?</td><td>The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the EA.
In the review of the financial statements for FY2017, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements. The following significant matter the financial statements was discussed with the Management and the EA, and were reviewed by the AC:
<table>
<tr><th>Matter considered</th><th>How the AC reviewed these matters and what decisions were made</th></tr>
<tr><td>Valuation of non-financial assets</td><td>The AC considered the approach and methodology applied in the basis and appropriateness of the valuation methodologies used in determining the recoverable amounts of the cash-generating units.

The AC also obtained understanding on the work performed by the EA, including their assessment on the appropriateness of the CGUs as identified by Management and the valuation methods applied for the CGUs.

As a result of the above procedures, the AC gained comfort that the approach and methodology applied by the Management were appropriate.

The valuation of non-financial assets was also an area of focus for the EA. The EA has included this item as a key audit matter in its audit report for the FY2017. Please refer to page 45 of this Annual Report.</td></tr>
</table>
</td></tr>
<tr><td>12.9</td><td>Are any of the members of the AC (i) a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) hold any financial interest in the auditing firm or auditing corporation?</td><td>None of the AC members (i) is a former partner or director of the Company's existing auditing firm or auditing corporation in the previous 12 months and (ii) holds any financial interest in the auditing firm or auditing corporation.</td></tr>
<tr><td colspan="3"><u>Internal Audit</u></td></tr>
<tr><td colspan="3">Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.</td></tr>
<tr><td>13.1
13.2
13.3
13.4
13.5</td><td>Please provide details of the Company's internal audit function, if any.</td><td>The internal audit function is currently outsourced to Nexia TS Risk Advisory Pte. Ltd. ("Nexia") and they report directly to the AC on audit matters and CEO on administrative matters. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to AC.

Nexia has conducted parts of its audit plan and put forward its findings and recommendations to the AC for review. The IA has a direct and primary reporting line to the AC and assists the AC in overseeing and monitoring the implementation of improvements required on internal control weaknesses identified. The AC has reviewed the annual internal audit plan for FY2017 and is satisfied that the internal audit functions have been adequately resourced and carried out.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience. The AC approves the appointment, removal, evaluation and compensation of the IA. Nexia is a member of the Institute of Internal Auditors Singapore ("**IIA**"), an internal professional association for IA which has its headquarters in the United States. The audit work carried out is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. The AC would annually review the adequacy and effectiveness of the internal audit function of the Company.
Shareholders' Rights		
Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.		
14.1	Companies should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the company's shares.	In line with the continuous obligations of the Company under the SGX-ST Catalist Rules and the relevant rules and regulations, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.
14.2	Companies should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures, that govern general meetings of shareholders.	Shareholders are informed of the general meetings through the announcement released to the SGXNet and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. Shareholders are also informed of the poll voting procedures at the general meetings. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in and vote at the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy form sent in advance.
14.3	Companies should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	The Company's existing Constitution does not include the nominee or custodial services to appoint more than two proxies. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">SHAREHOLDER RIGHTS AND RESPONSIBILITIES</td></tr>
<tr><td colspan="3"><u>Communication with Shareholders</u></td></tr>
<tr><td colspan="3">Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.</td></tr>
<tr><td>15.1
15.2
15.3
15.4</td><td>(a) Does the Company have an investor relations policy?

(b) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?

(c) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?

(d) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?</td><td>The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The Company does not have a dedicated investor relations policy in place. However, communication is made through:-

• Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations;

• Half yearly announcements containing a summary of the financial information and affairs of the Group for that period;

• Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGM"). The notice of AGM and EGM are also advertised in a national newspaper; and

• Press and news releases on major developments of the Company and the Group.

In addition, the Company's website at www.eindec.com.sg is also another channel at which our shareholders can access financial information, corporate announcements, press releases, Annual Reports and profile of the Group as well as provide feedbacks.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company has engaged an investor relations firm who focuses on facilitating the communications with all stakeholders, shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investors public apprised of the Group's corporate developments and financial performance.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM by post and published in the newspapers within the mandatory period, which is held within four months after the close of the financial year.</td></tr>
<tr><td rowspan="2">15.5</td><td>Does the Company have a dividend policy?</td><td>The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, the Group's development plans and other factors as the Board may deem appropriate.</td></tr>
<tr><td>Is the Company is paying dividends for the financial year? If not, please explain why.</td><td>Dividend were not declared or paid for FY2017 as the Board wants to ensure there are adequate internally generated funds for the Company's business expansion and to respond to any adverse changes in the macroeconomic environment.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
CONDUCT OF SHAREHOLDER MEETINGS		
Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to be updated on the Group's strategies and goals. Notice of the general meeting is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the AGM. Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All the resolutions at the general meetings are single item resolutions. The Chairman of the AC, NC and RC will be present and available to address questions relating to the work of their respective Board Committees at general meetings. Furthermore, the EA are present to assist the Board in addressing any relevant queries by our shareholders. The Company will make available minutes of general meetings to shareholders upon their request. All resolutions are put to vote by poll. The poll voting procedures are clearly explained by the scrutineers at such general meeting. The detailed results of each resolution are announced via SGXNet after the general meetings.
712, 715 or 716	Appointment of auditors	The Company confirms its compliance with Rule 712 and Rule 715 of the Catalist Rules.
1204(8)	Material contracts	There were no material contracts of the Company or its subsidiaries involving the interest of the acting CEO, or any Director or controlling shareholder which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective in addressing the financial, operational, compliance and information technology control risks of the Group as at 31 December 2017 based on the followings: • internal controls established and maintained by the Group; • work performed by the IA and EA; • reviews performed by Management and the controls and processes which are currently in place; and • assurance received from the acting CEO and CFO.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1204(17)	Interested Persons Transaction ("**IPT**")	The Company has established a guidelines and review procedures for the on-going and future interested person transactions ("**IPTs**"). The IPTs are subject to review by the AC to ensure that they are on normal commercial terms and on an arm's length basis, that is, the transactions are transacted in terms and prices not more favourable to the interested persons than if they were transacted with a third party and are not prejudicial to the interests of the Group or our minority shareholders in any way. All interested person transactions are subject to review by the AC to ensure compliance with established procedures. The Company has not obtained a general mandate from its Shareholders in respect of interested person transactions for FY2017. The aggregate value of interested person transactions entered into during FY2017 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Henan Xingwei Property Co. Ltd. – Sale of air purification system	116	–

Henan Xingwei Property Co. Ltd., a subsidiary of Weiye Holdings Limited, the parent company of the Group, is considered an interested person to the Company under the SGX-ST Listing Manual Section B: Rules of Catalist.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1204(19)	Dealing in securities	The Company has adopted its own internal Code of Best Practices to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities. The Company, its Directors and officers are prohibited from dealing in the Company's securities during the periods commencing one month before the announcement of the Company's half year and full year results and ending on the date of the announcement of the relevant results. The Company, its Directors and employees are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or while they are in possession of unpublished price-sensitive information of the Group. They are not to deal in the Company's securities on short-term considerations.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2017.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>
Pursuant to the Company's initial public offering ("IPO"), the Company received net proceeds from the IPO of S$4.55 million ("Net Proceeds").
As at the date of this Annual Report, the status of the use of the Net Proceeds is as follows:
<table>
<tr><th>Purpose</th><th>Allocation of Net Proceeds (as disclosed in the Offer Document)
(S$'000)</th><th>Net Proceeds utilised as at the date of this announcement
(S$'000)</th><th>Balance of Net Proceeds as at the date of this announcement
(S$'000)</th></tr>
<tr><td>Establishment of a new business for environmental and technological solutions products in the People's Republic of China</td><td>3,300</td><td>2,889</td><td>411</td></tr>
<tr><td>Investment in the research and development of new and existing products and enhancement of manufacturing capabilities</td><td>500</td><td>500</td><td>–</td></tr>
<tr><td>Working Capital[1]</td><td>750</td><td>750</td><td>–</td></tr>
<tr><td>Total</td><td>4,550</td><td>4,139</td><td>411</td></tr>
</table>
Note:
(1) The amount allocated for working capital had been utilised mainly for the payment of raw material purchases and other expenses pertaining to the Group's operations in Malaysia.
</td></tr>
</table>

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/Non-Executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in Other Listed Companies and Other Major Appointments	Past Directorships in Other Listed Companies and Other Major Appointments Over the Preceding 3 Years
Zhang Wei	• Diploma in law from Zhongzhou University • Certified economist by Henan Province Science Committee • Master of Business Administration from Macau University of Science and Technology	Non-Executive Chairman	Chairman of the Board	2 September 2015	27 April 2017	• Weiye Holdings Limited	Nil
See Yen Tarn	• Bachelor of Accountancy from the National University of Singapore • Chartered Accountant in England and Wales	Independent Director	Board Member, Chairman of the AC and a Member of the NC and RC	8 December 2015	28 April 2016	• CSC Holdings Limited • Longcheer Holdings Limited • Singhaiyi Group Ltd.	• Acesian Partners Limited (formerly known as Linair Technologies Limited) • Changjiang Fertilizer Holdings Limited • Eagle Brand Holdings Limited • Renewable Energy Asia Group Limited • Lizhong Wheel Group Ltd.

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/Non-Executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in Other Listed Companies and Other Major Appointments	Past Directorships in Other Listed Companies and Other Major Appointments Over the Preceding 3 Years
Jeffrey Ong Shen Chieh	• Bachelor of Science degree in Real Estate from the National University of Singapore	Independent Director	Board Member, Chairman of the NC and a Member of the AC and RC	8 December 2015	27 April 2017	• Sakal Investment Limited • Elec & Eltek International Company Limited • Kakiko Group Limited	Nil
Wong Chee Meng Lawrence	• Bachelor of Laws from the National University of Singapore • An advocate and solicitor in Singapore • A solicitor in the Hong Kong Special Administrative Region of the People's Republic of China	Independent Director	Board Member, Chairman of the RC and a Member of the AC and NC	8 December 2015	28 April 2016	• China Bearing (Singapore) Ltd. • Sino Grandness Food Industry Group Limited • Atlantic Navigation Holdings (Singapore) Limited	• Artivision Technologies Ltd.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2017

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2017.

In our opinion:

(a) the financial statements set out on pages 48 to 101 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Zhang Wei
See Yen Tarn
Lawrence Wong Chee Meng
Jeffrey Ong Shen Chieh

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

	Direct interest			**Deemed interest**		
Name of director and corporation in which interests are held	**Holdings at beginning of the year ('000)**	**Holdings at end of the year ('000)**	**As at 21 January 2018 ('000)**	**Holdings at beginning of the year ('000)**	**Holdings at end of the year ('000)**	**As at 21 January 2018 ('000)**
The Company						
Ordinary shares						
Zhang Wei	–	–	–	71,900	71,900	71,900
Immediate and ultimate holding company						
Weiye Holdings Limited						
Ordinary shares						
Zhang Wei	3,030	3,030	3,030	88,000	88,000	88,000

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2017

Directors' interests (cont'd)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

By virtue of Section 7 of the Act, Zhang Wei is deemed to have interest in the other subsidiaries of Weiye Holdings Limited, the immediate and ultimate holding company, at the beginning and at the end of the financial year.

Share options

(a) Options to take up unissued shares

The Company has adopted the Eindec Performance Share Plan 2015 ("PSP") as per details set out in the Company's Offer Document dated 6 January 2016.

The Eindec Performance Share Plan 2015 is administered by the Remuneration Committee whose members are:

- See Yen Tarn, Independent Director
- Lawrence Wong (Chairman), Independent Director
- Jeffrey Ong, Independent Director

During the financial year, no options have been granted under the scheme.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

Warrants

On 30 August 2016, the Company allotted and issued 71,799,958 free warrants on the basis of two warrants for every three existing ordinary shares held by shareholders of the Company as at 22 August 2016, pursuant to the general mandate approved by members of the Company at the Annual General Meeting on 28 April 2016. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of $0.12 and will expire on 2 September 2019. As at 31 December 2017, no warrants were exercised and converted into ordinary shares of the Company.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2017

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

- See Yen Tarn (Chairman), Independent Director
- Lawrence Wong, Independent Director
- Jeffrey Ong, Independent Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held two meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external auditors and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- significant matters impacting the financial statements, including the key audit matters, and the accounting principles and judgement of items as adopted by management for these significant matters.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 716 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Zhang Wei	**See Yen Tarn**
Director	*Director*

26 March 2018

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY EINDEC CORPORATION LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Eindec Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 48 to 101.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of non-financial assets

(Refer to Note 4 – Property, plant and equipment and Note 5 – Intangible assets)

The key audit matter	*How the matter was addressed in our audit*
The Group continues to incur losses amid intense competition and volatile economic conditions. Accordingly, management conducted an impairment assessment of its non-financial assets. This involved a comparison of the carrying value of the net assets of the cash-generating-units ("CGUs") to the recoverable amount of the respective CGUs; the recoverable amount being the higher of the fair value less costs to sell ("FVLCTS") and value-in-use ("VIU") of the CGUs. The Group comprises two CGUs; the South Asia CGU and the North Asia CGU. The recoverable amount for the South Asia CGU was based on its fair value less cost to sell whilst that for the North Asia CGU was based on its value-in-use. For the South Asia CGU, the fair value of the CGU was largely based on the management's estimate of the fair value of its underlying freehold land and buildings. The determination of the recoverable amounts of the CGUs involved the appropriate determination of the CGUs, and significant judgment and the selection of the appropriate valuation methodology. Based on management's assessment, the recoverable amounts of the CGUs are above the carrying value of their net assets. Accordingly, the Group concluded that their non-financial assets are not impaired.	• We evaluated the identification of CGUs within the Group against the requirements of the financial reporting standards. • We reviewed the basis and appropriateness of the valuation methodologies used in determining the recoverable amounts of the CGUs. • For recoverable amount of the North Asia business, based on its VIU, we assessed the reasonableness of key assumptions used in the cash flow projections. We also assessed the reasonableness of the growth rates, terminal yield rate and discount rate by comparing these against externally derived data. • For recoverable amount of the South Asia CGU, based on the FVLCTS, we compared the management's estimation of the CGU's freehold land and property's fair value to publicly available information on recently transacted prices for the sale of comparable properties.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY EINDEC CORPORATION LIMITED

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Loo Kwok Chiang Adrian.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Assets					
Non-current assets					
Property, plant and equipment	4	4,344	4,387	–	–
Intangible assets	5	640	667	–	–
Subsidiaries	6	–	–	9,300	9,300
		4,984	5,054	9,300	9,300
Current assets					
Inventories	7	3,436	3,349	–	–
Trade and other receivables	8	8,472	8,590	4,870	5,371
Cash and cash equivalents	9	4,179	4,924	21	50
		16,087	16,863	4,891	5,421
Total assets		21,071	21,917	14,191	14,721
Equity attributable to owners of the Company					
Share capital	10	14,917	14,917	14,917	14,917
Other reserves	11	(10,628)	(10,759)	–	–
Retained earnings/(accumulated losses)		7,596	9,525	(3,104)	(2,349)
Total equity		11,885	13,683	11,813	12,568
Liabilities					
Non-current liabilities					
Loans and borrowings	12	28	4	–	–
Deferred government grant		98	–	–	–
Deferred tax liabilities	13	153	175	–	–
		279	179	–	–
Current liabilities					
Loans and borrowings	12	1,086	205	–	–
Trade and other payables	14	7,768	7,230	2,378	2,153
Income tax payables		53	620	–	–
		8,907	8,055	2,378	2,153
Total liabilities		9,186	8,234	2,378	2,153
Total equity and liabilities		21,071	21,917	14,191	14,721

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

	Note	Group 2017 $'000	Group 2016 $'000 Restated
Revenue	16	14,102	16,684
Cost of sales		(9,680)	(10,030)
Gross profit		4,422	6,654
Other income	17	515	70
Administrative expenses		(6,610)	(6,882)
Other operating expenses		(84)	(18)
Results from operating activities		(1,757)	(176)
Finance income	18	6	11
Finance cost	18	(97)	(124)
Net finance costs		(91)	(113)
Loss before tax	19	(1,848)	(289)
Tax expense	20	–	(552)
Loss for the year		(1,848)	(841)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences from foreign operations		50	(297)
Total other comprehensive income for the year, net of income tax		50	(297)
Total comprehensive income for the year		(1,798)	(1,138)
Earnings per share:			
Basic loss per share (cents)	21	(1.72)	(0.79)
Diluted loss per share (cents)	21	(1.72)	(0.79)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

	Note	Share capital $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Retained earnings $'000	Total $'000
At 1 January 2016		9,300	(9,225)	(1,367)	43	10,366	9,117
Total comprehensive income for the year							
Loss for the year		–	–	–	–	(841)	(841)
Other comprehensive income							
Foreign currency translation differences – foreign operations/Total other comprehensive income		–	–	(297)	–	–	(297)
Total comprehensive income for the year		–	–	(297)	–	(841)	(1,138)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of new ordinary shares	10	7,518	–	–	–	–	7,518
Transaction cost related to the issuance of new ordinary shares		(1,901)	–	–	–	–	(1,901)
Total contributions by and distributions to owners		5,617	–	–	–	–	5,617
Changes in ownership interests in subsidiaries							
Liquidation of a foreign subsidiary		–	87	–	–	–	87
Total transactions with owners		5,617	87	–	–	–	5,704
At 31 December 2016		14,917	(9,138)	(1,664)	43	9,525	13,683

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

	Share capital $'000	Merger reserve $'000	Foreign currency translation reserve $'000	Statutory reserve $'000	Retained earnings $'000	Total $'000
At 1 January 2017	14,917	(9,138)	(1,664)	43	9,525	13,683
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(1,848)	(1,848)
Other comprehensive income						
Foreign currency translation differences – foreign operations/ Total other comprehensive income	–	–	50	–	–	50
Total comprehensive income for the year	–	–	50	–	(1,848)	(1,798)
Transfer to statutory reserve	–	–	–	81	(81)	–
At 31 December 2017	14,917	(9,138)	(1,614)	124	7,596	11,885

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED 31 DECEMBER 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Loss before tax		(1,848)	(289)
Adjustments for:			
Amortisation of intangible assets	19	195	202
Allowance for doubtful debts	19	63	–
Depreciation of property, plant and equipment	19	305	349
Plant and equipment written-off	19	1	4
Impairment of intangible assets	19	94	–
Gain on disposal of property, plant and equipment	17	(168)	–
Realisation of reserve on liquidation of a foreign subsidiary		–	87
Interest expenses	18	97	124
Interest income	18	(6)	(11)
Effects of exchange rate changes		(21)	(136)
		(1,288)	330
Changes in:			
- inventories		(87)	(955)
- trade and other receivables		55	(4,075)
- trade and other payables		685	1,766
Cash used in operations		(635)	(2,934)
Interest received		6	11
Tax paid		(567)	(376)
Government grant received		98	–
Net cash used in operating activities		(1,098)	(3,299)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		577	–
Purchase of property, plant and equipment		(568)	(153)
Amount due from ultimate holding company (non-trade)		–	101
Expenditure on intangible assets		(270)	(337)
Net cash used in investing activities		(261)	(389)
Cash flows from financing activities			
Interest paid		(97)	(124)
Proceeds from short-term financing		315	–
Repayment of finance lease obligations		(27)	(23)
Repayment of bank loans		(186)	(230)
Amount due to ultimate holding company (non-trade)		(147)	(314)
Payments for listing expenses		–	(1,926)
Proceeds from issue of shares		–	7,518
Net cash (used in)/from financing activities		(142)	4,901
Net (decrease)/increase in cash and cash equivalents		(1,501)	1,213
Cash and cash equivalents at 1 January		4,924	3,792
Effect of exchange rate fluctuations on cash held		(4)	(81)
Cash and cash equivalents at 31 December	9	3,419	4,924

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2018.

1 Domicile and activities

Eindec Corporation Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 100H Pasir Panjang Road, OC@ Pasir Panjang, #01-01 Singapore 118524.

The Company was listed on the Catalist Board of the SGX-ST on 15 January 2016.

The principal activities of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 6 of the consolidated financial statements.

The immediate and ultimate holding company is Weiye Holdings Limited, a company incorporated in Singapore.

The consolidated financial statements of the Group as at and for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next financial year are included in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

2 Basis of preparation (cont'd)

2.5 Changes in accounting policies

Revised standards

The Group has applied the following amendments for the first time for the annual period beginning on 1 January 2017:

- *Disclosure Initiative (Amendments to FRS 7);*
- *Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to FRS 12); and*
- *Clarification of the scope of FRS 112 (Improvements to FRSs 2016)*

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

(i) Disclosure Initiative (Amendment to FRS 7)

From 1 January 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 31 December 2017. Comparative information has not been presented (see Note 12).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policy.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Acquisition from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain or loss arising is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investment in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, excluding prepayments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

3 Significant accounting policies (cont'd)

3.3 Financial Instruments (cont'd)

For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form part of the Group's cash management are included in cash and cash equivalents.

Non-derivative financial liabilities

The Group recognises financial liabilities initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities in the other financial liabilities category. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise loans and borrowings, and trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Intra-group financial guarantees

Financial guarantees are financial instruments issued by Group entities that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are initially measured at fair value and are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is measured at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Freehold building	50 years
Factory equipment	5 to 20 years
Building and factory improvements	5 to 10 years
Plant and machinery	5 to 12 years
Motor vehicles	5 years
Furniture and fittings	3 to 10 years
Office equipment and computers	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

3 Significant accounting policies (cont'd)

3.5 Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the assets. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the assets for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs is measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life of capitalised development costs for the current and comparative years is 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3 Significant accounting policies (cont'd)

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3 Significant accounting policies (cont'd)

3.10 Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the survey of works performed.

3.11 Other income

Gain on disposal of property, plant and equipment

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the disposed item, and is recognised net within other income.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.12 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.12 Lease payments (cont'd)

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.13 Finance income and finance costs

Finance income comprises on interest income earned on funds invested. Interest income is recognised as it accrues in the profit or loss, using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

3 Significant accounting policies (cont'd)

3.14 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which include bonus warrants issued to shareholders.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards

Applicable to 2018 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) and IFRS issued by the International Accounting Standards Board. As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* which includes the clarifications to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016;
- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts – Applying* IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – *Deletion of short-term exemptions for first-time adopters* issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

Preliminarily, the Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

The Group's impact assessment of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 is set out below.

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

SFRS(I) 1

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet, and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group does not expect the application of mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of IFRS 15 retrospectively, except as described below, and the comparative period presented in the 2018 financial statements will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The expected impact upon the adoption of SFRS(I) 15 are described below. The information below reflects the Group's expectations of the tax implications arising from the changes in accounting treatment. Tax effects may change when the transition adjustments are finalised.

(i) Identification of performance obligations

The Group currently recognises revenue for each contract based on the goods and services as stipulated in its contracts. Under SFRS(I) 15, the Group is required to identify distinct performance obligations ("PO") in bundled arrangements and account for each PO separately, unless it can be demonstrated that the Group provides a significant integrated service; and the goods or services within the contract are highly dependent on or highly integrated with other goods or services.

The Group has evaluated the criteria required for contracts with multiple performance obligations and has put in place process to assess, track and monitor the recognition of revenue for each performance obligation. For the contracts that are highly customised to the requirements of the customers and where the Group's right to payment for good and services rendered to date if the contract is terminated for reasons other than the Group's failure to performed as promised is established, the Group does not expect a significant impact on the timing and amount of revenue recognition. For certain contracts where the right to payment is not established, the Group will defer revenue recognition until completion of work.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

(ii) Variable consideration

The Group's contracts may include variable considerations such as discounts, penalties, including liquidated damages for delays, or other similar terms. Under SFRS(I) 15, the Group is required to estimate the amount of consideration to which it expects to be entitled and variable amounts are included in contract revenue to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved.

(iii) Presentation of contract related assets and liabilities

Under SFRS(I) 15, for each revenue contract entered into, the Group presents contract assets or contract liabilities in its statement of financial position when the Group has performed the transfer of goods/services to the customer and has established the right to payment for the transfer (contract asset), or the customer had paid a consideration in advance of the transfer of goods/services to the Group (contract liability).

Based on the Group's preliminary assessment, the Group does not expect a material impact arising from the adoption of SFRS(I) 15.

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 January 2018.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018:
  - The determination of the business model within which a financial assets is held.
  - The determination of whether contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
  - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).
  - The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from the changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

Expected credit losses on financial assets

SFRS(I) 9 replaces the 'incurred loss model' in FRS 39 with an 'expected credit loss' ("ECL") model. The new impairment model also applies to certain loan commitments and financial guarantee contracts, but not to equity investments.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and any contract assets arising from the application of SFRS(I) 15. Based on the Group's preliminary assessment, the Group expects an increase in impairment for trade and other receivables of $102,000 as at 1 January 2018.

The Group is currently finalising their assessment and the quantum of the final transition adjustments may be different upon finalisation.

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements
- SFRS(I) 16 *Leases*
- IFRIC 23 *Uncertainty over Income Tax Treatments*

Applicable to 2021 financial statements
- SFRS(I) 17 *Insurance Contracts*

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below. The Group also preliminarily assessed that SFRS(I) 17 is not relevant to the Group as the Group does not issue insurance contracts.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, i.e. at 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to Note 22).

Until 2018, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 6.2% of the consolidated total assets and 14.2% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The following reconciliations provide an estimate of the expected impacts on initial adoption of SFRS(I)1, SFRS(I) 15 and SFRS(I) 9 on the Group's financial position as at 31 December 2017 and 1 January 2018 and the Group's profit or loss and other comprehensive income for the year ended 31 December 2017.

There is no impact arising from the adoption of the new accounting standards on the Company's statement of financial position.

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

Consolidated statement of financial position

	31 December 2017			1 January 2018	
	Current framework $'000	SFRS(I) 15 $'000	SFRS(I) framework $'000	SFRS(I) 9 $'000	SFRS(I) framework $'000
Assets					
Non-current assets					
Property, plant and equipment	4,344	–	4,344	–	4,344
Intangible assets	640	–	640	–	640
	4,984	–	4,984	–	4,984
Current assets					
Inventories	3,436	–	3,436	–	3,436
Trade and other receivables	8,472	–	8,472	(102)	8,370
Cash and cash equivalents	4,179	–	4,179	–	4,179
	16,087	–	16,087	–	15,985
Total assets	21,071	–	21,071	(102)	20,969
Equity attributable to owners of the Company					
Share capital	14,917	–	14,917	–	14,917
Other reserves	(10,628)	–	(10,628)	–	(10,628)
Retained earnings	7,596	–	7,596	(85)	7,511
Total equity	11,885	–	11,885	(85)	11,800
Liabilities					
Non-current liabilities					
Loans and borrowings	28	–	28	–	28
Deferred income	98	–	98	–	98
Deferred tax liabilities	153	–	153	(17)	136
	279	–	279	(17)	262
Current liabilities					
Contract liabilities	–	357	357	–	357
Loans and borrowings	1,086	–	1,086	–	1,086
Trade and other payables	7,768	(357)	7,411	–	7,411
Income tax payable	53	–	53	–	53
	8,907	–	8,907	–	8,907
Total liabilities	9,186	–	9,186	(17)	9,169
Total equity and liabilities	21,071	–	21,071	(102)	20,969

NOTES TO THE FINANCIAL STATEMENTS

3 Significant accounting policies (cont'd)

3.17 Full convergence with International Financial Reporting Standards (IFRS) and adoption of new standards (cont'd)

Consolidated statement of comprehensive income

	31 December 2017			1 January 2018	
	Current framework $'000	SFRS(I) 15 $'000	SFRS(I) framework $'000	SFRS(I) 9 $'000	SFRS(I) framework $'000
Revenue	14,102	–	14,102	–	14,102
Cost of sales	(9,680)	–	(9,680)	–	(9,680)
Gross profit	4,422	–	4,422	–	4,422
Other income	515	–	515	–	515
Administrative expenses	(6,610)	–	(6,610)	–	(6,610)
Other operating expenses	(84)	–	(84)	(102)	(186)
Results from operating activities	(1,757)	–	(1,757)	(102)	(1,859)
Finance income	6	–	6	–	6
Finance cost	(97)	–	(97)	–	(97)
Net finance costs	(91)	–	(91)	–	(91)
Loss before tax	(1,848)	–	(1,848)	(102)	(1,950)
Tax expense	–	–	–	17	17
Loss for the year	(1,848)	–	(1,848)	(85)	(1,933)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences from foreign operations	50	–	50	–	50
Total other comprehensive income for the year, net of income tax	50	–	50	–	50
		–			
Total comprehensive income for the year	(1,798)	–	(1,798)	(85)	(1,883)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

4 Property, plant and equipment

	Freehold land $'000	Freehold building $'000	Factory equipment $'000	Building and factory improvements $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment & computers $'000	Total $'000
Group									
Cost									
At 1 January 2016	1,338	2,795	772	603	2,847	612	138	437	9,542
Additions	–	–	10	2	2	1	4	134	153
Written-off	–	–	(40)	–	(4)	(2)	(13)	(4)	(63)
Effects of movements in exchange rates	(27)	(56)	(8)	(15)	(44)	(10)	(3)	(11)	(174)
At 31 December 2016	1,311	2,739	734	590	2,801	601	126	556	9,458
At 1 January 2017	1,311	2,739	734	590	2,801	601	126	556	9,458
Additions	–	–	17	406	21	114	4	45	607
Written off	–	–	(2)	–	–	–	(1)	–	(3)
Disposals	(148)	(98)	(198)	(198)	(1,309)	(180)	(13)	(83)	(2,227)
Effects of movements in exchange rates	21	51	7	2	27	7	2	(1)	116
At 31 December 2017	1,184	2,692	558	800	1,540	542	118	517	7,951

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

Property, plant and equipment (cont'd)

	Freehold land $'000	Freehold building $'000	Factory equipment $'000	Building and factory improvements $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment & computers $'000	Total $'000
Group									
Accumulated depreciation									
At 1 January 2016	–	671	672	144	2,458	517	115	280	4,857
Depreciation	–	56	24	81	96	22	10	60	349
Written-off	–	–	(40)	–	(1)	(2)	(13)	(3)	(59)
Effects of movements in exchange rates	–	(15)	(6)	(3)	(39)	(7)	(2)	(4)	(76)
At 31 December 2016	–	712	650	222	2,514	530	110	333	5,071
At 1 January 2017	–	712	650	222	2,514	530	110	333	5,071
Depreciation	–	53	20	44	63	38	5	82	305
Written-off	–	–	(1)	–	–	–	(1)	–	(2)
Disposals	–	(41)	(186)	(69)	(1,279)	(180)	(7)	(56)	(1,818)
Effects of movements in exchange rates	–	14	5	2	23	5	2	–	51
At 31 December 2017	–	738	488	199	1,321	393	109	359	3,607
Carrying amounts									
At 1 January 2016	1,338	2,124	100	459	389	95	23	157	4,685
At 31 December 2016	1,311	2,027	84	368	287	71	16	223	4,387
At 31 December 2017	1,184	1,954	70	601	219	149	9	158	4,344

4 Property, plant and equipment (cont'd)

Assets held under finance lease

During 2017, the Group acquired plant and equipment with carrying amount of $39,000 under a finance lease.

The carrying amount of plant and machinery of the Group held under finance leases as at 31 December 2017 was $81,000 (2016: $57,000).

Security

As at 31 December 2017, the Group's property, plant and equipment with a total carrying value of $3,598,000 (2016: $3,595,000), were pledged as collaterals for the Group's loans and borrowings (see Note 12).

5 Intangible assets

Group	**Capitalised development costs $'000**
Cost	
At 1 January 2016	543
Capitalisation of qualifying development expenditure during the year	337
Effects of movements in exchange rates	(11)
At 31 December 2016	869
At 1 January 2017	869
Capitalisation of qualifying development expenditure during the year	270
Effects of movements in exchange rates	(8)
At 31 December 2017	1,131
Accumulated amortisation	
At 1 January 2016	–
Amortisation charge for the year	202
At 31 December 2016	202
At 1 January 2017	202
Impairment	94
Amortisation charge for the year	195
At 31 December 2017	491
Carrying amounts	
At 1 January 2016	543
At 31 December 2016	667
At 31 December 2017	640

Intangible assets comprise development expenditure capitalised in relation to new products developed by the Group. The amortisation of development costs is included in 'other operating expenses'.

NOTES TO THE FINANCIAL STATEMENTS

5 Intangible assets (cont'd)

Impairment loss

During the year, the Group assessed that certain development expenditure capitalised related to a product was deemed impaired as the sale of this product had ceased during the year and was not expected to be generating future economic benefits for the Group. The Group determined that the recoverable amount of these intangible assets, based on the fair value less costs to sell, is $Nil. Hence, impairment losses of $94,000 were recognised in the current year.

6 Subsidiaries

	Company	
	2017	**2016**
	$'000	**$'000**
Unquoted equity shares, at cost	9,300	9,300

Details of the subsidiaries at the end of the financial year are as follows:

	Name	Country of incorporation	Principal activities	Equity interest 2017 %	Equity interest 2016 %
*	Eindec Holdings Pte. Ltd.	Singapore	Investment holding	100	100
	Held through Eindec Holdings Pte. Ltd.:				
*	Eindec Singapore Pte. Ltd.	Singapore	Manufacturers and traders in air-conditioning, air purification and clean room equipment	100	100
▲	Eindec Technology (Malaysia) Sdn. Bhd.	Malaysia	Manufacturers and traders in air-conditioning and clean room equipment	100	100
^@	Kyodo-Allied (Thailand) Company Limited	Thailand	Manufacturers, importers, exporters and traders in air-conditioning materials, supplies and equipment	–	–
@	Eindec (Shanghai) Co., Ltd	People's Republic of China ("PRC")	Clean room equipment and ventilation equipment wholesale, agency, import and export of industrial products and related supporting businesses	100	100

6 Subsidiaries (cont'd)

	Name	Country of incorporation	Principal activities	Equity interest 2017 %	Equity interest 2016 %
	Held through Eindec Holdings Pte. Ltd.: (cont'd)				
+	Eindec (Shenzhen) Environmental Technology Co., Ltd.	PRC	Industrial clean room equipment, air purification filter equipment and its parts and components, the transfer of technology of its own research and development, technology consultation, technology services and after-sales service	100	100

* Audited by KPMG LLP, Singapore

▲ Audited by member firm of KPMG International

\+ Audited for the purpose of group consolidation by a member firm of KPMG International

@ Not a significant subsidiary under SGX Listing Rule 717. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

^ Liquidated in 2016

7 Inventories

	Group 2017 $'000	Group 2016 $'000
Finished goods	1,349	921
Work-in-progress	155	552
Raw materials	1,932	1,876
	3,436	3,349

During the current year, inventories of $7,913,000 (2016: $8,735,000) were recognised as an expense and included in 'cost of sales' (see Note 19).

In addition, inventories have been reduced by $79,773 (2016: Nil) as a result of the write-down to net realisable value. The write downs were included in 'cost of sales'.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

8 Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade receivables	7,899	2,838	–	–
Accrued trade receivables	154	3,180	–	–
Non-trade amounts due from:				
- related corporation	–	–	–	1,890
- subsidiary	–	–	4,864	3,463
Other receivables and deposits	239	2,372	–	–
Loans and receivables	8,292	8,390	4,864	5,353
Prepayments	180	200	6	18
	8,472	8,590	4,870	5,371

The non-trade amounts due from a related corporation and a subsidiary are unsecured, interest-free, and are repayable on demand. There is no allowance for impairment loss arising from these outstanding balances.

Impairment losses

The ageing of loans and receivables at the reporting date is as follows:

	Gross 2017 $'000	Impairment losses 2017 $'000	Gross 2016 $'000	Impairment losses 2016 $'000
Group				
Neither past due nor impaired	4,109	–	6,344	–
Past due 1 – 30 days	774	–	824	–
Past due 31 – 60 days	288	–	414	–
Past due 61 – 90 days	177	–	502	–
Past due more than 90 days	3,007	63	306	–
	8,355	63	8,390	–
Company				
Neither past due nor impaired	4,864	–	5,353	–

The Group and Company believe that the unimpaired amounts are still collectible in full, based on the historical payment behaviour and analysis of customer credit risk.

	Group $'000
As at 1 January 2016 and 2017	–
Impairment loss recognised	63
As at 31 December 2017	63

The Group and Company's exposure to credit and foreign currency risk related to loans and receivables are disclosed in Note 24.

9 Cash and cash equivalents

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Fixed deposits with financial institutions		750	2,752	–	–
Cash at bank and on hand		3,429	2,172	21	50
Cash and cash equivalents in the statements of financial position		4,179	4,924	21	50
Bank overdrafts	12	(760)	–	–	–
Cash and cash equivalents in the statement of cash flows		3,419	4,924	21	50

The Group's effective interest rate relating to fixed deposits with financial institutions at the reporting date is 0.05% (2016: 0.16%) per annum.

The Group and Company's exposure to credit risk and foreign currency related to cash and cash equivalents are disclosed in Note 24.

10 Share capital

	No. of shares 2017	No. of shares 2016
Fully paid ordinary shares, with no par value:		
At 1 January	107,700,000	71,900,000
Issuance of new ordinary shares	–	35,800,000
At 31 December	107,700,000	107,700,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. All shares rank equally with regard to the Company's residual assets.

On 15 January 2016, 35,800,000 shares were issued, at the issue price of $0.21 per share, for a total consideration of $7,518,000 pursuant to the initial public offering of the Company. The Company was listed on the Catalist Board of the SGX-ST on 15 January 2016.

Warrants

On 30 August 2016, the Company allotted and issued 71,799,958 free warrants on the basis of two warrants for every three existing ordinary shares held by shareholders of the Company as at 22 August 2016, pursuant to the general mandate approved by members of the Company at the Annual General Meeting on 28 April 2016. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of $0.12 and will expire on 2 September 2019. For the years ended 31 December 2017 and 2016, there was no financial impact arising from these warrants as no warrant was exercised and converted into ordinary shares of the Company.

11 Other reserves

	Group 2017 $'000	Group 2016 $'000
Merger reserve	(9,138)	(9,138)
Foreign currency translation reserve	(1,614)	(1,664)
Statutory reserve	124	43
	(10,628)	(10,759)

Reserves

(a) Merger reserve

Merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries acquired by the Company under common control arrangements. The acquisition of the entities by the Company under common control arrangements was carried out as part of the restructuring exercise undertaken by Weiye Holdings Group.

(b) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(c) Statutory reserve

In accordance with the Foreign Enterprise Law applicable to entities in the PRC, the Company's PRC subsidiaries are required to make appropriation to a Statutory Reserve Fund (“SRF”). At least 10% of the profit after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the PRC entity registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the PRC entity. The SRF is not available for dividend distribution to shareholders.

12 Loans and borrowings

	Note	Group 2017 $'000	Group 2016 $'000
Current liabilities			
Secured bank loans		315	182
Finance lease liabilities		11	23
Bank overdrafts	9	760	–
		1,086	205
Non-current liabilities			
Finance lease liabilities		28	4
		28	4
Total loans and borrowings		1,114	209

12 Loans and borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	2017 Face value $'000	2017 Carrying amount $'000	2016 Face value $'000	2016 Carrying amount $'000
Group							
Secured bank loans	MYR	3.76 – 3.80	2018	315	315	182	182
Finance lease liabilities	MYR	3.30 – 3.50	2018 – 2019	39	39	27	27
Bank overdrafts	MYR	MBLR* + 0.75%	2018	760	760	–	–
Total interest-bearing liabilities				1,114	1,114	209	209

** Malaysia base lending rate*

The Group's exposure to interest rate and liquidity risks is disclosed in Note 24.

The loans and borrowings of the Group are secured by the property, plant and equipment of a subsidiary (see Note 4) and deed of debenture provided by a subsidiary for Malaysian Ringgit ("RM") 10 million.

Finance lease obligations

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Future minimum lease payments 2017 $'000	Interest 2017 $'000	Present value of payments 2017 $'000	Future minimum lease payments 2016 $'000	Interest 2016 $'000	Present value of payments 2016 $'000
Group						
Within one year	13	2	11	24	1	23
After one year but within five years	31	3	28	4	–	4
	44	5	39	28	1	27

The finance lease liabilities are secured by a charge over the leased assets.

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YEAR ENDED 31 DECEMBER 2017

12 Loans and borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities				
	Bank overdrafts $'000	**Secured bank loans $'000**	**Finance lease liabilities $'000**	**Non-trade amount due from ultimate holding company (Note 14) $'000**	**Total $'000**
At 1 January 2017	–	182	27	2,080	2,289
Changes from financing cash flows					
Interest paid	–	(43)	(2)	(52)	(97)
Repayment of finance lease obligations	–	–	(27)	–	(27)
Repayment of bank loans	–	(186)	–	–	(186)
Proceeds from short-term financing	–	315	–	–	315
Amount due from ultimate holding company (non-trade)	–	–	–	(147)	(147)
Total changes from financing cash flows	–	86	(29)	(199)	(142)
The effect of changes in foreign exchange rates	–	4	–	–	4
Other changes					
Proceeds from bank overdraft	760	–	–	–	760
New finance leases	–	–	39	–	39
Interest expense	–	43	2	52	97
Total liability-related other changes	760	43	41	52	896
Balance as at 31 December 2017	760	315	39	1,933	3,047

13 Deferred tax liabilities

Movements in temporary differences during the year are as follows:

	Balance as at 1 January 2016 $'000	Recognised in profit or loss (Note 20) $'000	Effects of exchange rate changes $'000	Balance as at 31 December 2016 $'000	Recognised in profit or loss (Note 20) $'000	Effects of exchange rate changes $'000	Balance as at 31 December 2017 $'000
Group							
Property, plant and equipment	216	12	2	230	(23)	3	210
Others	(12)	(38)	(5)	(55)	(7)	5	(57)
	204	(26)	(3)	175	(30)	8	153

Unrecognised deferred tax liabilities

At 31 December 2017, temporary differences of $1,484,480 (2016: $1,879,000) related to investment in subsidiaries were not recognised because the Group controls the dividend policy of its subsidiaries and is able to veto the payment of dividends of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and it is satisfied they will not reverse in the foreseeable future.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	Group 2017 $'000	Group 2016 $'000
Unutilised tax losses carried forward	5,168	3,339

The Group's tax losses carried forward comprise of tax losses arising from its operations in Singapore and the PRC. Under the applicable PRC tax legislation, tax losses as at 31 December 2017 and 2016 are expected to expire as follows:

	Group 2017 $'000	Group 2016 $'000
Between 1 year and 5 years	596	217

The remaining tax losses of $4,572,000 (2016: $3,122,000) relating to tax losses arising from the Group's Singapore operations are not expected to expire under the applicable tax legislation.

Deferred tax assets have not been recognised in respect of the tax losses because of the uncertainty over the availability of future taxable profits arising from the relevant Group entities against which the Group can utilise the benefits.

14 Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables	4,223	3,871	–	–
Advance receipts from customers	357	35	–	–
Non-trade amounts due to:				
- ultimate holding company	1,933	2,080	1,933	2,080
- subsidiary	–	–	295	–
Accrued operating expenses	503	541	69	44
Other payables	752	703	81	29
	7,768	7,230	2,378	2,153

The Group's and the Company's exposure to currency and liquidity risk related to trade and other payables are disclosed in Note 24.

Included in the non-trade amount due to ultimate holding company is a loan of $1,718,000 (2016: $1,950,000) which is interest-bearing, unsecured and is repayable on demand. Interest is charged based on the three-month Singapore swap offer rate plus a margin of 3.5%. The remaining amount of the non-trade amount due to ultimate holding company is unsecured, interest-free and repayable on demand.

The non-trade amount due to a subsidiary is unsecured, interest-free, and is repayable on demand.

15 Related parties

Key management personnel compensation

Key management personnel compensation comprised:

	Group	
	2017	2016
	$'000	$'000
Directors' fees		
- directors of the Company	175	175
Salaries, representing total compensation to key management personnel	438	736
Contributions to defined contribution plans	39	45
	652	956
Comprises amounts paid/payable to:		
- directors of the Company	392	512
- other key management personnel	260	444
	652	956

Other related party transactions

Other than as disclosed elsewhere in the financial statements, transactions carried out in the normal course of business on terms agreed with related parties are as follows:

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15 Related parties (cont'd)

	Group	
	2017	**2016**
	$'000	**$'000**
Expenses/(Income)		
Immediate and ultimate holding company		
Interest expenses paid/payable	52	96
Shared services income received/receivable	(12)	–

16 Revenue

	Group	
	2017	**2016**
	$'000	**$'000**
Sales of goods	14,102	16,061
Rendering of services	–	623
	14,102	16,684

17 Other income

	Group	
	2017	**2016**
	$'000	**$'000**
Gain on disposal of property, plant and equipment	168	–
Government grants	276	49
Others	71	21
	515	70

18 Net finance costs

	Group	
	2017	**2016**
	$'000	**$'000**
Interest income	6	11
Finance income	6	11
Interest expense on loans and borrowings	(45)	(28)
Interest expense on non-trade amounts due ultimate holding company	(52)	(96)
Finance costs	(97)	(124)
Net finance cost	(91)	(113)

NOTES TO THE FINANCIAL STATEMENTS

19 Loss before tax

The following items have been included in arriving at loss before tax:

	Note	Group 2017 $'000	Group 2016 $'000
Audit fees paid to:			
- auditors of the Company		89	92
- other auditors		90	54
Non-audit fees paid to:			
- auditors of the Company		11	6
- other auditors		4	4
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales		7,913	8,735
Depreciation of property, plant and equipment	4	305	349
Amortisation of intangible assets	5	195	202
Impairment of intangible assets	5	94	–
Employee benefits expense		4,300	4,820
Operating lease expenses		470	381
Plant and equipment written-off		1	4
Write-down of inventories	7	80	–
Provision for stock obsolescence		78	145
Allowance for doubtful debts	8	63	–
Exchange loss, net		21	18

	Group 2017 $'000	Group 2016 $'000
Employee benefits expense		
Directors' fees	175	175
Salaries, bonuses and other costs	3,610	4,122
PRC statutory welfare fund	109	134
Contributions to defined contribution plans	406	389
	4,300	4,820

20 Tax expense

	Group 2017 $'000	Group 2016 $'000
Current tax expense		
Current year	58	566
(Over)/Under provision in respect of prior years	(28)	12
	30	578
Deferred tax expense		
Origination and reversal of temporary differences	(25)	(40)
(Over)/Under provision in respect of prior years	(5)	14
	(30)	(26)
Tax expense on operations	–	552

20 Tax expense (cont'd)

	Group	
	2017	**2016**
	$'000	**$'000**
Reconciliation of effective tax rate		
Loss before tax	(1,848)	(289)
Tax using the Singapore tax rate of 17% (2016: 17%)	(314)	(49)
Effect of different tax rate in different jurisdictions	(19)	210
Non-taxable income	(29)	–
Non-deductible expenses	54	68
Current year losses for which no deferred tax asset was recognised	341	297
(Over)/under provided in respect of prior years	(33)	26
	–	552

21 Earnings per share

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share ("EPS") for the years ended 31 December:

	Group	
	2017	**2016**
	$'000	**$'000**
Basic earnings per share is based on		
Loss for the year attributable to owners of the Company	(1,848)	(841)

		Number of shares	
	Note	**2017**	**2016**
		'000	**'000**
Issued ordinary shares at 1 January	10	107,700	71,900
Effect of new ordinary shares issued		–	34,626
Weighted average number of ordinary shares		107,700	106,526
Basic loss per share (SGD cents)		(1.72)	(0.79)

Basic EPS is calculated on the Group's loss for the year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated on the same basis as basic EPS as there were no dilutive potential ordinary shares and warrants as at 31 December 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS

22 Commitments

(a) Leases – As lessee

The Group leases a number of warehouse and office premises under operating leases. The leases typically run for a period of 5 years. None of these leases include contingent rentals.

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Not later than one year	313	347
Later than one year but not later than five years	988	311
	1,301	658

(b) Contingent liabilities

Financial corporate guarantees of $1,537,000 (2016: $1,647,000) was given by the Company in relation to utilisation of banking and other facilities by a subsidiary as at 31 December 2017.

23 Operating segments

For management purposes, the Group is organised into business units based on the products and services offered, and has three reportable operating segments as follows:

I. Clean room equipment

A clean room provides an environment where the humidity, temperature and particles in the air are precisely controlled. Clean room equipment include fan filter units, air showers, clean booths, pass boxes, clean hand dryers and clean benches, amongst others.

II. Heating ventilation and air-conditioning products

Heating ventilation and air-conditioning products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space.

III. Air purification equipment

Air purification equipment (also referred to as air cleaners) are electrical devices that remove solid and gaseous pollutants from the air such as formaldehyde and PM2.5 which may pose adverse health risks that include breathing difficulties, asthma and allergies. Through the function of air filters or sterilising systems built into each air purification equipment, the concentration of dust, contaminants, fine particles and volatile organic compounds in the air are reduced to the benefit of individuals within the immediate vicinity.

23 Operating segments (cont'd)

IV. Others

Others refers to cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore.

The Group's CEO monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

There are no inter-segment sales within the Group.

During the year, the Group revised the presentation of the composition of the reportable segments. Accordingly, the prior year comparatives are restated.

	Revenue		**Segments results**	
	2017	**2016**	**2017**	**2016**
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**
		Restated*		**Restated***
Clean room equipment	5,740	4,017	(1,045)	(822)
Heating ventilation and air-conditioning products	4,809	6,825	(381)	(445)
Air purification equipment	3,112	5,380	(614)	1,075
Others	441	462	69	(32)
	14,102	16,684	(1,971)	(224)
Unallocated items:				
Other income			218	52
Net finance costs			(95)	(117)
Loss before income tax			(1,848)	(289)
Income tax expense			–	(552)
Loss attributable to equity holders of the Company			(1,848)	(841)

NOTES TO THE FINANCIAL STATEMENTS

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23 Operating segments (cont'd)

	Segments results	
	2017	**2016**
Group	**S$'000**	**S$'000**
		Restated*
Segment assets		
Clean room equipment	3,437	2,510
Heating ventilation and air-conditioning products	2,473	2,656
Air purification equipment	8,609	8,607
Others	37	36
Total segment assets	14,556	13,809
Unallocated assets[#]	6,515	8,108
Consolidated total assets	21,071	21,917
Segment liabilities		
Clean room equipment	610	788
Heating ventilation and air-conditioning products	29	85
Air purification equipment	4,276	3,824
Total segment liabilities	4,915	4,697
Unallocated liabilities*	4,271	3,537
Consolidated total liabilities	9,186	8,234

Unallocated assets are mainly related to the property, plant and equipment and cash and cash equivalents which are utilised by more than one segment of the Group.

* *Unallocated liabilities are mainly related to the Group's loans and borrowings from external parties and the immediate holding company which are utilised by more than one segment of the Group.*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

23 Operating segments (cont'd)

Group	Clean room equipment		Heating ventilation and air-conditioning products		Air purification equipment		Others		Total	
	2017 $'000	2016 $'000 Restated*	2017 $'000	2016 $'000 Restated*	2017 $'000	2016 $'000 Restated*	2017 $'000	2016 $'000 Restated*	2017 $'000	2016 $'000 Restated*
Other segment information:										
Allowance for doubtful debts	–	–	63	–	–	–	–	–	63	–
Impairment loss on intangible assets	–	–	–	–	94	–	–	–	94	–
Amortisation of intangible assets	–	–	–	–	195	202	–	–	195	202
Depreciation of property, plant and equipment	151	95	124	162	24	81	6	11	305	349
Capital expenditure:										
- Allocated to reportable segments	–	–	–	–	270	388	–	–	270	388
- Unallocated	–	–	–	–	–	–	–	–	607	102
									877	490

NOTES TO THE FINANCIAL STATEMENTS

23 Operating segments (cont'd)

Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of these assets.

	Singapore $'000	PRC $'000	Malaysia $'000	Others $'000	Total $'000
31 December 2017					
Revenue	7,501	3,080	2,401	1,120	14,102
Non-current assets	509	795	3,680	–	4,984
31 December 2016					
Revenue	8,520	5,759	648	1,757	16,684
Non-current assets	384	755	3,915	–	5,054

24 Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

24 Financial risk management (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company does not require any collateral in respect of their trade and other receivables.

The Group has policies in place to evaluate credit risk when accepting new customers.

Where necessary, the Group establishes an allowance for impairment loss that represents its estimate of incurred losses in respect of loans and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Cash and cash equivalents are placed with financial institutions which are regulated.

The Group's top 3 (2016: 3) customer accounts for 54.1% (2016: 45.1%) of the trade and other receivables as at 31 December 2017.

Other than the above, there were no other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit risk profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade and accrued receivables on an on-going basis. The credit risk concentration profile of the Group's trade and accrued receivables at the respective reporting dates are as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
By country		
Singapore	3,078	1,817
PRC	4,507	3,598
Malaysia	100	479
Others	368	124
	8,053	6,018
By products		
Clean room equipment	2,068	503
Heating ventilation and air distribution equipment	1,268	1,779
Air purification equipment	4,708	3,586
Others	9	150
	8,053	6,018

24 Financial risk management (cont'd)

Credit risk (cont'd)

Guarantees

The Group's policy is to provide financial guarantees only for their wholly-owned subsidiaries' liabilities.

The maximum exposure of the Company in respect of intra-group financial guarantee, if the loan facility is drawn down by a subsidiary, is $1,537,000 (2016: $1,647,000). At the reporting date, no amounts were drawn down by the subsidiary.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loan facilities. Approximately 97.5% (2016: 98.1%) of the Group's loans and borrowings will mature in less than one year based on the carrying amounts reflected in the statement of financial position as at 31 December 2017.

The following are the contractual maturities of financial liabilities. These amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting arrangements:

		Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Between 2 to 5 years $'000**
Group				
2017				
Non-derivative financial liabilities				
Loans and borrowings	1,114	(1,184)	(1,155)	(29)
Trade and other payables^	7,411	(7,503)	(7,503)	–
	8,525	(8,687)	(8,658)	(29)
2016				
Non-derivative financial liabilities				
Loans and borrowings	209	(219)	(215)	(4)
Trade and other payables^	7,195	(7,284)	(7,284)	–
	7,404	(7,503)	(7,499)	(4)

^ *Excludes advance receipts from customers*

24 Financial risk management (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	Between 2 to 5 years $'000
Company				
2017				
Non-derivative financial liabilities				
Trade and other payables	2,378	(2,469)	(2,469)	–
2016				
Non-derivative financial liabilities				
Trade and other payables	2,153	(2,242)	(2,242)	–

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group is exposed to currency risk on its operations and revenue and costs denominated in a currency other than the respective functional currencies of Group entities. The Group's foreign exchange exposures are primarily arising from transactions denominated in US dollar.

The Group manages its transactional exposure by adopting a policy of matching, as far as possible, receipts and payments in each individual currency.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Group 2017 $'000	Group 2016 $'000
US dollar		
Trade and other receivables	183	117
Cash and cash equivalents	170	109
Trade and other payables	(104)	(84)
	249	142

The Company is not exposed to any foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

24 Financial risk management (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

A 5% strengthening of the Singapore dollar, as indicated below, against the following currencies at the reporting date would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2016, as indicated below:

	Group	
	2017	**2016**
	$'000	**$'000**
US dollar	(12)	(7)

A 5% weakening of the Singapore dollar against the above currencies would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its floating rate loans and borrowings. The Group's policy is to obtain the most favourable interest rates available.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group Carrying amount	
	2017	**2016**
	$'000	**$'000**
Fixed rate instrument		
Fixed deposits	750	2,752
Bank overdrafts	(760)	–
Finance lease liabilities	(39)	(27)
	(49)	2,725
Variable rate instrument		
Non-trade amount due to ultimate holding company	(1,718)	(1,950)
Secured bank loans	(315)	(182)
	(2,033)	(2,132)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

24 Financial risk management (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (decreased)/increased profit or loss by the amounts shown below. This analysis assumes that all other variable, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2016.

	Profit or loss	
	100 bp increase	**100 bp decrease**
	$'000	**$'000**
Group		
31 December 2017		
Variable rate instruments	(20)	20
31 December 2016		
Variable rate instruments	(21)	21

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

The Company's PRC subsidiaries are required by the relevant laws and regulations of the PRC to contribute to and maintain a non-distributable statutory reserve fund for which the utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiaries for the financial years ended 31 December 2017 and 2016.

The Group monitors capital using an adjusted net debt to equity ratio, which is 'adjusted net debt' divided by total equity attributable to owners of the Company. For this purpose, adjusted net debt is defined as total liabilities (which includes interest-bearing loans and borrowings and obligations under finance leases) less cash and cash equivalents.

The Group's adjusted net debt to adjusted equity ratio at the reporting date was as follows:

	Group	
	2017	**2016**
	$'000	**$'000**
Total liabilities	9,186	8,234
Less: Cash and cash equivalents	(4,179)	(4,924)
Adjusted net debt	5,007	3,310
Equity attributable to owners of the Company	11,885	13,683
Adjusted net debt to equity ratio	0.42	0.24

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YEAR ENDED 31 DECEMBER 2017

24 Financial risk management (cont'd)

Fair value

Determination of fair values

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value and classification of financial instruments

	Loans and receivables $'000	Liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Group				
31 December 2017				
Loans and receivables	8,292	–	8,292	8,292
Cash and cash equivalents	4,179	–	4,179	4,179
	12,471	–	12,471	12,471
Loan and borrowings	–	(1,114)	(1,114)	(1,114)
Trade and other payables*	–	(7,411)	(7,411)	(7,411)
	–	(8,525)	(8,525)	(8,525)
31 December 2016				
Loans and receivables	8,390	–	8,390	8,390
Cash and cash equivalents	4,924	–	4,924	4,924
	13,314	–	13,314	13,314
Loan and borrowings	–	(209)	(209)	(209)
Trade and other payables*	–	(7,195)	(7,195)	(7,195)
	–	(7,404)	(7,404)	(7,404)

24 Financial risk management (cont'd)

Fair value and classification of financial instruments (cont'd)

	Loans and receivables $'000	Liabilities at amortised cost $'000	Total carrying amount $'000	Fair value $'000
Company				
31 December 2017				
Loans and receivables	4,864	–	4,864	4,864
Cash and cash equivalents	21	–	21	21
	4,885	–	4,885	4,885
Trade and other payables*	–	(2,378)	(2,378)	(2,378)
31 December 2016				
Loans and receivables	5,353	–	5,353	5,353
Cash and cash equivalents	50	–	50	50
	5,403	–	5,403	5,403
Trade and other payables*	–	(2,153)	(2,153)	(2,153)

** Excludes advance receipts from customers*

No fair value hierarchy information is disclosed for the Group and Company's financial assets and liabilities as the carrying amount of these financial assets and liabilities approximate their fair values because of the short period to maturity.

25 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group believes the following critical accounting policies involve significant judgements and estimates used in the preparation of the financial statements.

Key sources of estimation uncertainty

Impairment of non-financial assets, including property, plant and equipment and intangible asset

The Group assesses at each reporting date whether there is objective evidence that its non-financial asset are impaired. The Group non-financial asset comprises of property, plant and equipment and intangible asset. To determine whether there is objective evidence of impairment, the Group considers factors such as general economic conditions, development in the property market, government policies and other factors which could affect the carrying value of these assets. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

25 Accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

The recoverable amount based on the estimated fair value of the property is determined by a firm of independent professional valuers or management, using comparable property valuation. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The recoverable amounts could change significantly as a result of changes in market conditions.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Depreciation of property, plant and equipment and amortisation of intangible asset

Property, plant and equipment are depreciated on a straight-line basis over their useful lives which are estimated to be between 3 to 50 years. Intangible assets are amortised on a straight-line basis over their useful lives which are estimated to be 3 years.

The Group reviews the estimated useful lives of these assets annually in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The estimation of useful lives is based on assumptions about wear and tear, ageing, asset utilisation, anticipated use of the assets, technical standards and changes in demand as well as the Group's historical experience with similar assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment and intangible asset would increase depreciation and amortisation expense respectively and decrease non-current assets.

Valuation of trade receivables

The Group evaluates whether there is any objective evidence that loans and receivables are impaired, and determine the amount of impairment loss as a result of the debtor's inability to make the required payments. The Group determines the estimates based on the ageing of the loans and receivables balance, credit-worthiness of the debtors and historical write-off experience. If, however, the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Valuation of inventory

Where necessary, allowance for inventory obsolescence would be set up for estimated losses which may result from obsolete inventories held. The Group estimates the level of allowance based on the prevailing market conditions and historical provisioning experience. The required level of allowance could change significantly as a result of changes in market conditions.

26 Comparative information

Change in classification

The Group modified the classification of certain items in the consolidated statement of comprehensive income to better reflect the nature of its operations. The table below summarises changes made to the consolidated statement of comprehensive income for the financial year ended on 31 December 2016:

Consolidated statement of comprehensive income

	As previously reported 2016 $'000	Reclassification 2016 $'000	As currently reported 2016 $'000
Administrative expenses	–	6,882	6,882
Other operating expenses	6,900	(6,882)	18
	6,900	–	6,900

These reclassification had no impact on the statement of financial position and cash flows.

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2018

Issued and Fully Paid-up Capital	–	S$16,818,001 comprising 107,700,000 ordinary shares
Class of Shares	–	Ordinary share
Voting Rights	–	One Vote per share

The Company does not have any Treasury Share and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	2	1.57	200	0.00
1,001 – 10,000	13	10.24	78,200	0.07
10,001 – 1,000,000	103	81.10	21,063,400	19.56
1,000,001 AND ABOVE	9	7.09	86,558,200	80.37
TOTAL	**127**	**100.00**	**107,700,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	WEIYE HOLDINGS LIMITED	71,900,000	66.76
2	LIM TIONG KHENG STEVEN	2,873,000	2.67
3	UOB KAY HIAN PRIVATE LIMITED	2,488,400	2.31
4	TAN SZE SENG	2,175,900	2.02
5	SIM POH PING	2,086,200	1.94
6	TAN POH GUAN (CHEN BAOYUAN)	1,500,000	1.39
7	SIM PEI HWA	1,238,000	1.15
8	OCBC SECURITIES PRIVATE LIMITED	1,166,700	1.08
9	TANG AH HOY	1,130,000	1.05
10	LEE LOI SING	1,000,000	0.93
11	PECK CHUAN YONG	1,000,000	0.93
12	CHEN CHAI HAP	950,000	0.88
13	WU YING KUM	850,000	0.79
14	LIM THIAM SOON	800,000	0.74
15	LIAO YUSHEN	760,000	0.71
16	NG GEOK TIN (HUANG YUZHEN)	742,300	0.69
17	ONG WEE MING	720,000	0.67
18	QUEK HAN BOON	708,500	0.66
19	MAYBANK KIM ENG SECURITIES PTE LTD	579,100	0.54
20	RAFFLES NOMINEES (Pte.) LIMITED	538,700	0.50
	TOTAL	**95,206,800**	**88.41**

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2018

SUBSTANTIAL SHAREHOLDERS AS AT 12 MARCH 2018

(As recorded in the Register of Substantial Shareholders)

		Direct Interest		Deemed Interests	
No.	Name	No. of shares held	%	No. of shares held	%
1.	Weiye Holdings Limited	71,900,000	66.76	–	–
2.	Zhang Wei[(1)]	–	–	71,900,000	66.76
3.	Chen Zhiyong[(2)]	–	–	71,900,000	66.76

Notes:

(1) Mr. Zhang Wei is deemed to have an interest in the Shares held by Weiye Holdings Ltd ("**Weiye**") by virtue of his 46.4% shareholding in Weiye by virtue of Section 7 of the Companies Act, Chapter 50.

(2) Mr. Chen Zhiyong is deemed to have an interest in the Shares held by Weiye by virtue of his 20.5% shareholding in Weiye by virtue of Section 7 of the Companies Act, Chapter 50.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 12 March 2018, 33.24% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

STATISTICS OF WARRANTHOLDINGS

AS AT 12 MARCH 2018

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF WARRANTHOLDERS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	7	6.31	330	0.00
100 – 1,000	1	0.90	133	0.00
1,001 – 10,000	16	14.41	66,060	0.09
10,001 – 1,000,000	80	72.07	14,158,105	19.72
1,000,001 AND ABOVE	7	6.31	57,575,330	80.19
TOTAL	**111**	**100.00**	**71,799,958**	**100.00**

TWENTY LARGEST WARRANTHOLDERS

NO.	NAME	NO. OF WARRANTS	%
1	WEIYE HOLDINGS LIMITED	47,933,333	66.76
2	UOB KAY HIAN PRIVATE LIMITED	3,590,732	5.00
3	LIM TIONG KHENG STEVEN	1,456,666	2.03
4	SIM POH PING	1,390,800	1.94
5	TAN SZE SENG	1,129,500	1.57
6	TANG AH HOY	1,066,666	1.49
7	CITIBANK NOMINEES SINGAPORE PTE LTD	1,007,633	1.40
8	TAN POH GUAN (CHEN BAOYUAN)	1,000,000	1.39
9	LEE LOI SING	666,666	0.93
10	PECK CHUAN YONG	666,666	0.93
11	DE SOUZA JEREMY LARRY	578,733	0.81
12	WU YING KUM	566,666	0.79
13	OOI CHENG HOOI	551,000	0.77
14	LIM THIAM SOON	533,333	0.74
15	LIAO YUSHEN	506,666	0.71
16	LIN SIN HOE	500,000	0.70
17	TAN PENG SOON	500,000	0.70
18	ONG WEE MING	480,000	0.67
19	SIM PEI HWA	408,666	0.57
20	FISHER JASON CHRISTOPHER	357,333	0.50
	TOTAL	**64,891,059**	**90.40**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Eindec Corporation Limited ("**Company**") will be held at 100H Pasir Panjang Road, OC@Pasir Panjang, #01-01 Singapore 118524, on Friday, 27 April 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors' Statement of the Company and the Group for the financial year ended 31 December 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$175,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 98 of the Constitution of the Company:

   Mr See Yen Tarn **(Resolution 3)**
   Mr Wong Chee Meng Lawrence **(Resolution 4)**

   [See Explanatory Note (i)]

4. To re-appoint Messrs KPMG LLP, Certified Public Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 ("Companies Act") and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules")**

   That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

("**Share Issue Mandate**")

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2)below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under subparagraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

(c) any subsequent consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)] **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to issue shares under The Eindec Performance Share Plan 2015 ("Share Plan")**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Share Plan and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Share Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Share Plan shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 7)**

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 4 April 2018

Explanatory Notes:

(i) Mr. See Yen Tarn will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee. The Board considers Mr. See Yen Tarn to be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr. Wong Chee Meng Lawrence will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nominating Committee. The Board considers Mr. Wong Chee Meng Lawrence to be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(ii) Resolution 6, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

(iii) Resolution 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards and to issue shares in the share capital of the Company pursuant the Share Plan, up to a number not exceeding in total fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

Notes:

1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 100H Pasir Panjang Road #01-01, Singapore 118524 not less than forty-eight (48) hours before the time appointed for holding the AGM.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EINDEC CORPORATION LIMITED
(Company Registration No.201508913H)
(Incorporated In the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM
(Please see notes overleaf before completing this Form)

IMPORTANT:
1. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ____________________ (Name) ____________ (NRIC/Passport No.)
of ______________________________ (Address)
being a *member/members of **EINDEC CORPORATION LIMITED** ("**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them, the Chairman of the Company as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting ("**Meeting**") of the Company to be held at 100H Pasir Panjang, OC@Pasir Panjang, #01-01 Singapore 118524 on Friday, 27 April 2018 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**
Ordinary Business			
1	Adoption of Audited Financial Statements and Directors' Statement of the Company and the Group for the financial year ended 31 December 2017 together with the Auditors' Report thereon		
2	Approval of Directors' fees amounting to S$175,000 for the financial year ending 31 December 2018, to be paid quarterly in arrears		
3	Re-election of Mr. See Yen Tarn as a Director of the Company		
4	Re-election of Mr. Wong Chee Meng Lawrence as a Director of the Company		
5	Re-appointment of Messrs KPMG LLP as Auditors and to authorise the Directors to fix their remuneration		
Special Business			
6	Authority to allot and issue new shares		
7	Authority to allot and issue shares under the Eindec Performance Share Plan 2015		

** *If you wish to exercise all your votes 'For' or 'Against', please tick (v) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ______ day of ____________ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
**and/or Common Seal of Corporate Shareholder*

** Delete where inapplicable*

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 100H Pasir Panjang Road, OC@Pasir Panjang, #01-01, Singapore 118524 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2018.

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CORPORATE INFORMATION

BOARD OF DIRECTORS
ZHANG WEI Non-Executive Chairman
SEE YEN TARN Independent Director
WONG CHEE MENG LAWRENCE Independent Director
JEFFREY ONG SHEN CHIEH Independent Director

AUDIT COMMITTEE
SEE YEN TARN (Chairman)
WONG CHEE MENG LAWRENCE
JEFFREY ONG SHEN CHIEH

NOMINATING COMMITTEE
JEFFREY ONG SHEN CHIEH (Chairman)
SEE YEN TARN
WONG CHEE MENG LAWRENCE

REMUNERATION COMMITTEE
WONG CHEE MENG LAWRENCE (Chairman)
SEE YEN TARN
JEFFREY ONG SHEN CHIEH

PRINCIPAL PLACE OF BUSINESS AND REGISTERED ADDRESS
100H Pasir Panjang Road, OC@Pasir Panjang,
#01-01 Singapore 118524
Tel: (65) 6265 1311
Fax: (65) 6265 8100

COMPANY SECRETARY
SHIRLEY TAN SEY LIY (ACIS)

EXTERNAL AUDITORS
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: Loo Kwok Chiang, Adrian
(Public Accountants and Chartered Accountants Singapore)
(Appointed since financial year ended 31 December 2016)

SPONSOR
UOB KAY HIAN PRIVATE LIMITED
8 Anthony Road #01-01
Singapore 229957

SHARE REGISTRAR AND WARRANT AGENT
RHT CORPORATE ADVISORY PTE. LTD.
9 Raffles Place #29-01
Republic Plaza Tower 1,
Singapore 048619

PRINCIPAL BANKERS
UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza
Singapore 048624

INVESTOR RELATIONS
EQUITIQUE COMMUNICATIONS PTE LTD
远璟财经通讯私人有限公司
1 Raffles Place #31-03
One Raffles Place
Singapore 048616
Email: equtique@eqtqc.com.sg

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED

(Company Registration No.: 201508913H)

(Incorporated in the Republic of Singapore on 2 April 2015)

100H Pasir Panjang Road | OC@Pasir Panjang | #01-01 | Singapore 118524