

EINDEC KYODO

英德集团

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

PURCHASE OF OFFICE PREMISES

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of E indec Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that E indec Singapore Pte. Ltd. (“**E indec Singapore**” or the “**Purchaser**”), a 100%-owned subsidiary of the Company, had on 13 January 2022 exercised two options to purchase (the “**Options**”) two office units at 10 Bukit Batok Crescent, The Spire, Singapore 658079 (the “**Properties**”) (the “**Purchase**”). The Options were granted by two unrelated third parties, namely EDD Investment Pte. Ltd. and Ventionex International Pte. Ltd. (collectively, the “**Vendors**”). The consideration for the Purchase amounted to an aggregate cash consideration of S\$1,500,000 (the “**Purchase Consideration**”).

2. PRINCIPAL TERMS OF THE PURCHASE

2.1 Information on the Properties and the Vendors

The Properties are two leasehold office units, covering an area of approximately 3,668 square feet in total. The Company purchased the Properties to be used as the Company's office premises upon expiry of its existing tenancy. The Company is currently occupying office premise located at 100H Pasir Panjang Road, #01-01 OC@Pasir Panjang, Singapore 118524 (“**Existing Office Premise**”), and the tenancy agreement will expire on 31 March 2022.

The Properties were sourced through a property agent and none of the Vendors nor directors and shareholders of the Vendors has any relationships (including business relationship) with the Directors or substantial shareholders of the Company and their respective associates.

2.2 Purchase Consideration

The Purchase Consideration was arrived at based on arm's length negotiations between the parties, after taking into account prevailing market conditions, including current transacted and asking sale prices of the commercial properties in the same building.

As at the date of this announcement, E indec Singapore has placed a deposit of S\$75,000 (“**Deposit**”), being 5% of the Purchase Consideration payable upon the exercise of the Options. The remaining balance of the Purchase Consideration is payable to the Vendors upon completion of the Purchase (“**Completion**”). The Completion date is expected to be no later than 30 April 2022.

No independent valuation was commissioned by the Company for the purpose of the Purchase.

2.3 Sources of Funds for the Purchase

The Purchase Consideration, which is payable fully in cash, will be financed by the Group's internally generated resources and bank borrowings.

3. SALIENT TERMS OF THE PURCHASE

The salient terms of the Purchase are:

- (i) the Purchase is subject to "The Singapore Law Society's Conditions of Sale 2020" (the "**Conditions**") in so far as the Conditions and terms and conditions of the Options are not contrary to or in conflict with the following:
 - (a) Conveyancing & Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing & Law of Property Act; and
 - (b) Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act (Cap 294A) (if applicable);
- (ii) the respective titles of the Properties shall be in good order, properly deduced and free from encumbrances;
- (iii) the Properties are sold with vacant possession;
- (iv) the Purchaser shall be deemed to have full notice of the actual state and condition of the Properties in all respects and the Purchaser shall not be entitled to raise any objection or requisition whatsoever in respect thereof; and
- (v) the Purchase shall be completed at the respective office of the Vendors' solicitors within 12 weeks, upon exercising the Options.

4. RATIONALE FOR THE PURCHASE

The Directors are of the view that the Purchase is in the best interests of the Group as the ownership of the Properties will, in the long run, allow savings in rental charges as well as to hedge against impending inflationary pressure.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the Purchase as computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and the unaudited consolidated financial statements of the Group for the half year ended 30 June 2021, are as follows:

Rule 1006	Bases	Relative figures (%)
(a)	The net asset value of the assets to be disposed of, as compared with the Group's net value asset value	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired, as compared with the Group's net profits	Not applicable ⁽²⁾
(c)	The consideration for acquisition, as compared with the Company's market capitalisation	20.8% ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable as the transaction is not in relation to disposal of assets.
- (2) Rule 1006(b) of the Catalist Rules is not applicable as the Properties are not revenue-generating assets.
- (3) Computed based on the Purchase Consideration of S\$1.50 million and the Company's market capitalisation of approximately S\$7.22 million. The market capitalisation of the Company was computed based on the issued share capital of the Company of 107,700,000 ordinary shares ("**Shares**") and the volume weighted average price of S\$0.067 per Share on 12 January 2022 (being the last day on which the Shares were traded prior to the date of exercise of the Options).
- (4) Rule 1006(d) of the Catalist Rules is not applicable as the Purchase Consideration is to be satisfied entirely by way of cash payment, and no equity securities will be issued by the Company as consideration.
- (5) Rule 1006(d) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Purchase constitutes a "discloseable transaction" within the meaning of Chapter 10 of the Catalist Rules. Accordingly, approval of the shareholders of the Company is not required for the Purchase.

6. FINANCIAL EFFECTS OF THE PURCHASE

6.1 Assumptions

The *pro forma* financial effects of the Purchase are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial

position of the Company or the Group after Completion of the Purchase.

The *pro forma* financial effects of the Purchase have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“FY2020”), on the following bases and assumptions:

- (a) the financial effect on the consolidated net tangible assets (“NTA”) per Share is computed based on the assumption that the Purchase was completed on 31 December 2020;
- (b) the financial effect on the consolidated loss per share (“LPS”) is computed based on the assumption that the Purchase was completed on 1 January 2020, and the Company’s office premises are operated at the Properties (instead of the Existing Office Premise which is leased by the Company) on 1 January 2020;
- (c) interest charges to be incurred on the bank borrowings to partially fund the payment of the Purchase Consideration have been disregarded; and
- (d) expenses to be incurred in respect of the Purchase have been disregarded.

6.2 NTA per Share

	Before the Purchase	After the Purchase
NTA attributable to owners of the Company ⁽¹⁾ as at 31 December 2020 (S\$’000)	6,820	6,820
Number of Shares (excluding treasury shares) (‘000)	107,700	107,700
NTA per Share (S\$ cents)	6.33	6.33

Note:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets (net of non-controlling interests).

6.3 LPS

	Before the Purchase	After the Purchase
Net loss attributable to owners of the Company for FY2020 (S\$’000)	607	411 ⁽¹⁾
Weighted average number of Shares (excluding treasury shares) (‘000)	107,700	107,700
LPS (S\$ cents)	(0.56)	(0.38)

Note:

- (1) The decrease in loss is attributed to the net impact of (i) decrease in depreciation of right of use assets in respect of the Existing Office Premise; and (ii) increase in depreciation of property, plant and equipment in respect of the Properties, for FY2020, assuming that the Purchase had been completed on 1 January 2020.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Purchase (other than in their capacity as Directors or through their shareholdings in the Company, where applicable).

8. SERVICE CONTRACTS

No person will be appointed as a Director to the Board in connection with the Purchase. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Options are available for inspection at the operating office of the Company at 100H Pasir Panjang Road, #01-01 OC@Pasir Panjang, Singapore 118524 during normal business hours for three months from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Purchase, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Shirley Tan
Company Secretary
13 January 2022

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

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

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.