

OFFER INFORMATION STATEMENT DATED 22 AUGUST 2016

(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority") on 22 August 2016)

NOT FOR DISTRIBUTION OUTSIDE OF SINGAPORE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

The securities offered are issued by Eidec Corporation Limited (the "Company"), an entity whose shares are listed for quotation on Catalist (as defined herein). The Company intends to list the Warrants (as defined herein) and the New Shares (as defined herein), and an application has been made for permission for the same to be listed and quoted on Catalist. A listing and quotation notice ("LQN") has been obtained from the SGX-ST on 20 July 2016 for the listing of and quotation for the Warrants and the New Shares on Catalist, subject to certain conditions. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Bonus Warrants Issue (as defined herein), the Warrants, the New Shares, the Company, its subsidiaries and their securities. The Warrants and the New Shares will be respectively admitted to Catalist and official quotation will commence after all conditions imposed by the SGX-ST have been satisfied, including, in respect of the Warrants, a sufficient spread of holdings of the Warrants to provide for an orderly market in the Warrants, the Warrant certificates having been issued and the notification letters from The Central Depository (Pte) Limited ("CDP") having been despatched.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This offer is made in or accompanied by this offer information statement (this "Offer Information Statement") which has been lodged with the SGX-ST, acting as agent on behalf of the Authority.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has in any way considered the merits of the securities being offered for investment.

The lodgement of this Offer Information Statement with the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements in the SGX-ST's listing rules, have been complied with.

This Offer Information Statement has been prepared solely in relation to the Bonus Warrants Issue (as defined herein) and shall not be relied upon by any other person or for any other purpose.

IT SHOULD BE NOTED THAT THE WARRANTS MAY NOT BE LISTED AND QUOTED ON CATALIST IN THE EVENT OF AN INSUFFICIENT SPREAD OF HOLDINGS OF THE WARRANTS TO PROVIDE FOR AN ORDERLY MARKET IN THE TRADING OF THE WARRANTS. IN SUCH AN EVENT, HOLDERS OF THE WARRANTS WILL NOT BE ABLE TO TRADE THEIR WARRANTS ON CATALIST. HOWEVER, IF HOLDERS OF WARRANTS WERE TO EXERCISE THEIR RIGHTS, SUBJECT TO THE TERMS AND CONDITIONS OF THE WARRANTS, TO CONVERT THEIR WARRANTS INTO NEW SHARES, SUCH NEW SHARES WILL BE LISTED AND QUOTED ON CATALIST.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement; and no officer or equivalent person or promoter of the entity or proposed entity will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Information Statement.

All the documentation relating to the Bonus Warrants Issue (as defined herein) has been seen and approved by the directors of the Company ("Directors"). The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Bonus Warrants Issue (as defined herein), the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 is accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), UOB Kay Hian Private Limited, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified and assumes no responsibility for the contents of this Offer Information Statement including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr Josh Tan, Vice President, who can be contacted at 8, Anthony Road #01-01, Singapore 229957, telephone (65) 6590 6881.



EIDEC CORPORATION LIMITED

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

PROPOSED BONUS ISSUE OF UP TO 71,800,000 FREE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.12 FOR EACH NEW SHARE AND ON THE BASIS OF TWO (2) WARRANTS FOR EVERY THREE (3) EXISTING ORDINARY SHARES HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled "**Definitions**" of this Offer Information Statement.

The existing Shares are listed and quoted on Catalyst.

Persons wishing to subscribe for the Warrants and/or New Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment, *inter alia*, of the assets and liabilities, risk factors, profits and losses, financial position, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Warrants and the New Shares. They should also make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their legal, financial, tax or other professional adviser before deciding whether to subscribe for the New Shares or invest in the Company.

No person has been authorised to give any information or to make any representation, other than those contained in this Offer Information Statement, in connection with the Bonus Warrants Issue or the issue of New Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group.

Neither the delivery of this Offer Information Statement nor the issue of the Warrants and/or the New Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via the SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority. All Entitled Shareholders should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Sponsor is making any representation in this Offer Information Statement to any person regarding the legality of an investment in the Warrants, the New Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Warrants, the New Shares and/or the Shares.

Each of the Company and the Sponsor makes no representation, warranty or recommendation whatsoever as to the merits of the Bonus Warrants Issue, the New Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Warrants, the New Shares and/or the Shares. Prospective subscribers of the New Shares and/or the Shares should rely on their own investigation of the financial condition and affairs of the Company and the Group as well as their own appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

IMPORTANT NOTICE

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Warrants and the New Shares under the Bonus Warrants Issue and may not be relied upon by any persons, other than Entitled Shareholders to whom it is despatched by the Company or for any other purpose.

This Offer Information Statement may not be used for the purpose of, and does not constitute an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement (and/or its accompanying documents) and the purchase, exercise of or subscription for the Warrants may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company.

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DEFINITIONS

For the purpose of this Offer Information Statement, the following terms shall, unless the context otherwise requires, have the following meanings:

Group Companies

"Company"	:	Eindec Corporation Limited
"Eindec Holdings"	:	Eindec Holdings Pte. Ltd.
"Eindec Malaysia"	:	Eindec Technology (Malaysia) Sdn. Bhd.
"Eindec Shanghai"	:	Eindec (Shanghai) Co., Ltd.
"Eindec Shenzhen"	:	Eindec (Shenzhen) Environmental Technology Co., Ltd.
"Eindec Singapore"	:	Eindec Singapore Pte. Ltd.
"Kyodo-Allied (Thailand)"	:	Kyodo-Allied (Thailand) Company Limited
"Group"	:	The Company and its subsidiaries, collectively

General

"1H"	:	The six (6)-month financial period ended 30 June
"Act" or "Companies Act"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Audit Committee"	:	The audit committee of the Company as at the Latest Practicable Date
"Authority"	:	The Monetary Authority of Singapore
"Board" or "Board of Directors"	:	The board of directors of the Company as at the date of this Offer Information Statement
"Bonus Warrants Issue"	:	The bonus issue by the Company of up to 71,800,000 free Warrants, each Warrant carrying the right to subscribe for one (1) New Share in the capital of the Company, on the basis of two (2) Warrants for every three (3) existing Shares in the capital of the Company held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
"Books Closure Date"	:	5.00 p.m. on 22 August 2016, being the time and date at and on which the Register of Members and share transfer books of the Company will be closed in order to determine the entitlements of Entitled Shareholders to the Bonus Warrants Issue and, in the case of Entitled Depositors, at and on which their entitlements under the Bonus Warrants Issue are determined
"Catalist"	:	The Catalist board of the SGX-ST

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"Catalist Rules"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"CEO"	:	Chief Executive Officer
"Deed Poll"	:	The deed poll dated 26 July 2016 executed by the Company for the purposes of constituting the Warrants (as the same may be amended or supplemented from time to time) and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrant Holders
"Directors"	:	The directors of the Company as at the date of this Offer Information Statement
"Entitled Depositors"	:	Shareholders with Shares entered against their names in the Depository Register, maintained by CDP, as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP, with addresses in Singapore for the service of notices and documents
"Entitled Scripholders"	:	Shareholders whose share certificates have not been deposited with CDP and (i) whose Shares are registered in their own name; or (ii) who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
"Entitled Shareholders"	:	Entitled Depositors and Entitled Scripholders collectively
"Exercise Period"	:	The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the third (3 rd) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register Of Members is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Register may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll, and such period shall not be extendable

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"Exercise Price"	:	The sum payable in respect of each New Share to which a Warrant Holder will be entitled to subscribe upon the exercise of a Warrant, being S\$0.12, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
"Foreign Shareholders"	:	Shareholders whose registered addresses with the Company or CDP are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
"FY"	:	Financial year ended or ending 31 December, as the case may be
"HVAC"	:	Heating, ventilation and air-conditioning
"IPO"	:	The initial public offering of the Company by way of placement pursuant to the terms and conditions of the Offer Document
"Latest Practicable Date"	:	15 August 2016, being the latest practicable date prior to the issue of this Offer Information Statement
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"NAV"	:	Net asset value
"New Shares"	:	The new Shares to be allotted and issued by the Company credited as fully paid, upon the exercise of the Warrants subject to and in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
"Offer Document"	:	The offer document dated 6 January 2016 issued by the Company in respect of the IPO
"Offer Information Statement"	:	This document issued by the Company in respect of the Bonus Warrants Issue, and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company
"PRC"	:	People's Republic of China
"Record Date"	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
"Register of Members"	:	Register of members of the Company

DEFINITIONS

"Register of Substantial Shareholders"	:	Register of Substantial Shareholders of the Company
"RM"	:	Malaysian Ringgit, the lawful currency of Malaysia
"RMB"	:	PRC Renminbi, the lawful currency of the PRC
"R&D"	:	Research and development
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"Securities and Futures Act" or "SFA"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGXNET"	:	The online information system of the SGX-ST used by listed companies to disseminate information
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Registrar"	:	RHT Corporate Advisory Pte. Ltd.
"Shareholders"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
"Shares"	:	Ordinary shares in the capital of the Company, and each a "Share"
"subsidiary" or "subsidiaries"	:	A corporation which is for the time being a subsidiary of the Company within the meaning of Section 5 of the Companies Act
"Substantial Shareholder"	:	A substantial Shareholder of the Company within the meaning of Section 81 of the Companies Act
"S\$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"Take-over Code"	:	The Singapore Code on Take-Overs and Mergers, as amended, modified or supplemented from time to time
"Unit Share Market"	:	The unit share market of the SGX-ST, which allows the trading of odd lots
"UOBKH" or "Sponsor"	:	UOB Kay Hian Private Limited
"Warrant Agent"	:	RHT Corporate Advisory Pte. Ltd.

DEFINITIONS

"Warrant Certificates"	:	The certificates (in registered form) to be issued in respect of the Warrants, as from time to time modified in accordance with the conditions set out in the Deed Poll
"Warrant Holders"	:	Registered holders of the Warrants, except that where the registered holder is CDP, the term " Warrant Holders " shall, in relation to such Warrants and where the context so admits, means the Entitled Depositors whose Securities Accounts are credited with the Warrants
"Warrant Register"	:	The register of Warrant Holders to be maintained by the Warrant Agent pursuant to the terms and conditions of the Deed Poll
"Warrants"	:	Up to 71,800,000 free warrants in registered form to be issued by the Company pursuant to the Bonus Warrants Issue, and where the context so admits, such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants issued pursuant to the Bonus Warrants Issue and for all purposes to form part of the same series), each such Warrant entitling its holder to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions of the Deed Poll
"Weiye"	:	Weiye Holdings Limited
"Xie Tong International"	:	Xie Tong International Pte. Ltd.
"Xie Tong Technology"	:	Xie Tong Technology Pte. Ltd.
"%" or "per cent"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The words "**written**" and "**in writing**" include any means of visible reproduction.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Securities and Futures (Offers of Investments) (Shares and Debentures Regulations) 2005 or the Catalist Rules or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it respectively under the Companies Act, the Securities and Futures Act, the Securities and Futures (Offers of Investments) (Shares and Debentures Regulations) 2005 or the Catalist Rules or such amendment or modification thereof, as the case may be.

DEFINITIONS

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement in relation to the Bonus Warrants Issue shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference to include or including shall be deemed to be followed by without limitation or but not limited to whether or not they are followed by such phrases or words of like import.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

References in this Offer Information Statement to "**we**", "**our**" and "**us**" refer to the Group or any member of the Group as the context requires.

EXPECTED TIMETABLE OF KEY EVENTS

The important dates and times for the Bonus Warrants Issue are as follows:

Books Closure Date	:	22 August 2016 at 5.00 p.m.
Date of lodgement of Offer Information Statement	:	22 August 2016
Expected date for allotment and issuance of Warrants	:	23 August 2016
Expected date and time for commencement of trading of Warrants on Catalist (subject to there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants)	:	30 August 2016 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, upon consultation with its advisers and with the approval of the SGX-ST, the Sponsor and/or CDP, modify the above timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

1. ENTITLED SHAREHOLDERS

Entitled Shareholders will be entitled to participate in the Bonus Warrants Issue.

2. FOREIGN SHAREHOLDERS

This Offer Information Statement has not been and will not be registered, filed or lodged in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Bonus Warrants Issue is only made in Singapore.

Foreign Shareholders will not be entitled to participate in the Bonus Warrants Issue. The Warrants will not be offered or credited or allotted (as the case may be) to, and this Offer Information Statement has not been and will not be despatched to, Foreign Shareholders.

If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the Warrants which would otherwise have been allotted to Foreign Shareholders, to be sold by the Company on the Catalist. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings, or as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them by means of a crossed cheque drawn on a bank in Singapore sent by ordinary post to their mailing address as recorded with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions at their own risk, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar or the Warrant Agent, or their respective officers, in connection therewith.

Where such Warrants are sold on the Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar or the Warrant Agent, or their respective officers, in respect of such sales or the proceeds thereof. If such Warrants cannot be or are not sold on the Catalist as aforesaid for any reason, the Warrants shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar or the Warrant Agent, or their respective officers, in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE BONUS WARRANTS ISSUE SHOULD PROVIDE CDP OR THE

SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

Notwithstanding the above, Entitled Shareholders and any other person having possession of this Offer Information Statement are advised to keep themselves informed of and to observe all legal requirements applicable thereto at their own expense and without liability to the Company. No person in any jurisdiction outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Warrants or Shares.

The Warrants which represent fractional entitlements disregarded in accordance with the terms of the Bonus Warrants Issue shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit.

1. LISTING AND QUOTATION OF THE WARRANTS AND THE NEW SHARES

The LQN has been obtained from the SGX-ST on 20 July 2016 for the listing of and quotation for the Warrants and the New Shares on Catalist, subject to certain conditions.

The LQN is not to be taken as an indication of the merits of the Bonus Warrants Issue, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

Upon listing and quotation on the Catalist, the Warrants and the New Shares will be traded under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Warrants will comprise 100 Warrants. All dealings in and transactions (including transfers) of the Warrants and the New Shares effected through Catalist and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Warrants", as the same may be amended from time to time. Copies of the above are available from CDP.

IT SHOULD BE NOTED THAT THE WARRANTS MAY NOT BE LISTED AND QUOTED ON CATALIST IN THE EVENT OF AN INSUFFICIENT SPREAD OF HOLDINGS OF THE WARRANTS TO PROVIDE FOR AN ORDERLY MARKET IN THE TRADING OF THE WARRANTS. IN SUCH AN EVENT, HOLDERS OF THE WARRANTS WILL NOT BE ABLE TO TRADE THEIR WARRANTS ON CATALIST.

2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders who wish to trade the Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Warrants may be credited by CDP into their Securities Accounts.

A holder of physical share certificate(s) and/or warrant certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) and/or warrant certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) and/or warrant certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP (including any applicable fees) and have his Securities Account credited with the number of Warrants or existing Shares, as the case may be, before he can effect the desired trade.

3. TRADING OF ODD LOTS

Entitled Shareholders should note that the Bonus Warrants Issue may result in them holding odd lots of Warrants (that is, lots other than board lots of 100 Warrants). The exercise of such Warrants may also result in an Entitled Shareholder holding odd lots of Shares.

Following the Bonus Warrants Issue, Entitled Shareholders who hold odd lots of Warrants and/or New Shares and who wish to trade in odd lots of Warrants and/or Shares on the SGX-ST should note that they will be able to do so on the Unit Share Market of the SGX-ST which allows trading of odd lots. The market for trading of such odd lots of Shares and Warrants may be illiquid.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and future prospects of the Group's industry are forward-looking statements. These forward-looking statements, including statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements.

The Group's actual results, performance, or achievements may differ materially from those anticipated in these forward-looking statements. None of the Company, the Sponsor or any other person represents or warrants that the Group's actual future results, performance or achievements will be discussed in those statements.

Further, each of the Company and the Sponsor disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws or regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency. However, the Company, if required, may lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority, in the event, *inter alia*, it becomes aware of a new circumstance that has arisen after the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority, that is material or is required to be disclosed by law and/or the SGX-ST. The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Take-over Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30.0% or more of the voting rights of the Company; or
- (ii) any person who, together with parties acting in concert with him, holds not less than 30.0% but not more than 50.0% (both inclusive) of the voting rights in the Company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights,

such person must extend a mandatory take-over offer immediately to the Shareholders for the remaining Shares in the Company in accordance with the provisions of the Take-over Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any acquisition and exercise of Warrants under the Bonus Warrants Issue should consult the Securities Industry Council and/or their professional advisers immediately.

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PART II — IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

- 1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**
-

Name of Directors	Designation	Address
Zhang Wei	Non-Executive Chairman	8 Pandan Crescent #01-06 Singapore 128464
Chia Wei Ho	Executive Director and CEO	8 Pandan Crescent #01-06 Singapore 128464
See Yen Tarn	Independent Director	8 Pandan Crescent #01-06 Singapore 128464
Wong Chee Meng, Lawrence	Independent Director	8 Pandan Crescent #01-06 Singapore 128464
Ong Shen Chieh (Wang Shengjie)	Independent Director	8 Pandan Crescent #01-06 Singapore 128464

Advisers

- 2. Provide the names and addresses of:**
(a) the issue manager to the offer, if any;
(b) the underwriter to the offer, if any; and
(c) the legal adviser for or in relation to the offer, if any.
-

Issue manager to the Bonus : Not applicable. There is no issue manager.
Warrants Issue

Underwriter to the Bonus : Not applicable. The Warrants are issued free.
Warrants Issue

Legal adviser to the Company in : **Bird & Bird ATMD LLP**
relation to the Bonus Warrants 2 Shenton Way
Issue #18-01 SGX Centre 1
Singapore 068804

Registrars and Agents

- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents**
-

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and receiving bankers for the securities being offered, where applicable.

Share Registrar and Warrant : **RHT Corporate Advisory Pte. Ltd.**
Agent 6 Battery Road
#10-01
Singapore 049909

Receiving Banker : Not applicable.

Transfer Agent : Not applicable.

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PART III — OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

Method of offer	: Bonus Warrants Issue
Number of Warrants	: Up to 71,800,000 Warrants
Basis of allotment	: The Bonus Warrants Issue is to be made to the Entitled Shareholders on the basis of two (2) Warrants for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Status of Warrants	: Each Warrant carries the right to subscribe for one (1) New Share at the Exercise Price of S\$0.12 per New Share.

The New Shares will, upon allotment and issue, rank *pari passu* in all respects with existing Shares of the Company, save that the New Shares will not be entitled to any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the New Shares.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Please refer to paragraphs 3 to 7 of this Part below.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section entitled "Expected Timetable of Key Events" of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled "Expected Timetable of Key Events" of this Offer Information Statement to be modified. However, the Company may (if necessary), with the approval of the SGX-ST, the

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Sponsor and/or CDP modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through an SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

The terms and conditions of the Bonus Warrants Issue, including method of payment of the Exercise Price and the names and addresses to whom payment is to be submitted, are found in **Appendix B** to this Offer Information Statement.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Warrants are issued free to Entitled Shareholders with no obligation on their part to exercise the Warrants. The terms and conditions of the Bonus Warrants Issue, including method of payment of the Exercise Price and time limit for paying up, are found in **Appendix B** to this Offer Information Statement.

5. State where applicable, the methods of and time limits for:

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

The Warrants will be allotted to the Entitled Shareholders by crediting the allotments to Entitled Depositors or through the despatch of Warrants Certificate(s) to Entitled Scripholders. In the case of Entitled Scripholders, the Warrant Certificate(s) representing such number of Warrants will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as registered with the Share Registrar.

Further information on the terms and conditions of the Warrants is set out in **Appendix B** to this Offer Information Statement.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. No pre-emptive rights have been offered.

7. Provide a full description of the manner in which results of the allotment or allocation of securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

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The Warrants are issued free on the basis of two (2) Warrants for every three (3) existing Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. There will not be excess applications.

Further information on the terms and conditions of the Warrants is set out in **Appendix B** to this Offer Information Statement.

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PART IV — KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**
-

Please refer to paragraphs 2 to 7 of this Part below.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**
-

As the Warrants are issued free, there will be no immediate proceeds from the Bonus Warrants Issue. Assuming that 71,800,000 Warrants are issued and are all exercised, the Company will receive gross proceeds of approximately S\$8.62 million. The estimated net proceeds (the "**Net Proceeds**") from the exercise of the Warrants, after deducting professional fees as well as related expenses amounting to an aggregate of approximately S\$0.06 million in connection with the Bonus Warrants Issue, will amount to approximately S\$8.56 million. For the avoidance of doubt, the aforementioned gross proceeds are raised only upon the exercise of the Warrants, which is optional, not at the point of issue of the Warrants. Conversely, in the event that none of the Warrants are exercised, no proceeds will be raised at all.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses.**

Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

As the Warrants are issued free, there will be no immediate proceeds from the Bonus Warrants Issue.

The Company intends to utilise the Net Proceeds in the following manner (assuming that 71,800,000 Warrants are issued and all are exercised):

Use of Proceeds	Percentage
Investments	67.8%
Repayment of borrowings	25.0%
General working capital purposes	7.2%
Total	100.0%

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As and when any significant amount of the Net Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such Net Proceeds in its annual report.

Pending the deployment of the Net Proceeds for the uses identified above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

The Directors believe that the Bonus Warrants Issue will reward Shareholders for their continued participation in and support for the Company by providing Shareholders with an opportunity to increase their equity participation in the Company and participate in the future growth of the Company.

The Bonus Warrants Issue will also increase the accessibility of investing in the Company to more investors, thereby encouraging trading liquidity and greater participation by investors and broadening the shareholder base of the Company.

In addition, the Net Proceeds arising from the exercise of the Warrants will potentially increase the Company's capital base, strengthen its balance sheet and provide additional resources and working capital required to support the growing and expanding business activities and operations of the Group.

As the Warrants will be offered free to all the Entitled Shareholders, in the reasonable opinion of the Directors, there is no minimum amount that must be raised by the Bonus Warrants Issue. The amount of proceeds to be raised from the Bonus Warrants Issue is subject to the exercise of the Warrants by Entitled Shareholders. There is no assurance that all the Warrants issued would be exercised in full.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

As the Warrants are issued free, there will be no immediate proceeds from the Bonus Warrants Issue.

As the Warrants are issued free to Entitled Shareholders with no obligation on their part to exercise the Warrants and the exercise period for the Warrants commences on and includes the date of issue of the Warrants and expires at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, the amount of proceeds arising from the issue of the New Shares and the time of receipt of such proceeds cannot be ascertained as at the date of this Offer Information Statement.

The actual amount of proceeds received by the Company from the exercise of the Warrants will depend on when and the extent to which such Warrants are exercised.

Assuming that 71,800,000 Warrants are issued and all are exercised, based on the intended use of Net Proceeds as described in paragraph 3 of this Part, for each dollar of the gross proceeds raised from the exercise of Warrants under the Bonus Warrants Issue, the estimated amount that will be allocated for the intended use and the estimated amount that

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will be used to pay for expenses incurred in connection with the Bonus Warrants Issue are as follows:

- (a) approximately S\$0.67 for each dollar of gross proceeds raised will be allocated towards investments;
- (b) approximately S\$0.25 for each dollar of gross proceeds raised will be allocated towards repayment of borrowings;
- (c) approximately S\$0.07 for each dollar of gross proceeds raised will be allocated towards general working capital purposes; and
- (d) approximately S\$0.01 for each dollar of gross proceeds raised will be allocated to pay for expenses incurred in connection with the Bonus Warrants Issue.

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- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
-

As disclosed in paragraph 3 of this Part, the Company intends to utilise part of the Net Proceeds for, *inter alia*, investments. As at the Latest Practicable Date, the Company has not identified any specific asset which the Company intends to, directly or indirectly, acquire or refinance using the Net Proceeds. Nevertheless, in the event an opportunity arises for the Company to acquire any specific asset which the Directors deem to be in the interest of the Company to acquire, the Company may, subject to the approval of Shareholders being obtained if required by the Catalist Rules, utilise part of the Net Proceeds to finance such acquisition.

As disclosed in paragraph 3 of this Part, as and when any significant amount of the Net Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such Net Proceeds in its annual report.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
-

As disclosed in paragraph 3 of this Part, the Company intends to utilise part of the Net Proceeds for, *inter alia*, investments. As at the Latest Practicable Date, the Company has not identified any specific business which the Company intends to finance or refinance using the Net Proceeds. Nevertheless, in the event an opportunity arises for the Company to acquire any specific business which the Directors deem to be in the interest of the Company to acquire, the Company may, subject to the approval of Shareholders being obtained if required by the Catalist Rules, utilise part of the Net Proceeds to finance such acquisition.

As disclosed in paragraph 3 of this Part, as and when any significant amount of the Net Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such Net Proceeds in its annual report.

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- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

As disclosed in paragraph 3 of this Part, the Company intends to utilise part of the Net Proceeds for, *inter alia*, repayment of borrowings.

Following the Company's listing and as disclosed on page 134 of the Offer Document, Weiye has agreed to continue to extend an amount owing by the Group to Weiye and its subsidiaries (excluding the Group) on an unsecured basis with no fixed repayment terms, with interest to be charged on the outstanding amount at a rate equivalent to the three (3)-month Swap Offer Rate plus 3.5%, pursuant to the deed of undertaking dated 22 September 2015 entered into by the Group with Weiye.

As at 30 June 2016, the net outstanding amount owing by the Group to Weiye is S\$2.04 million.

As disclosed in paragraph 3 of this Part, as and when any significant amount of the Net Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such Net Proceeds in its annual report.

-
- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

The Bonus Warrants Issue is not underwritten and no placement or selling agents have been appointed in relation to the Bonus Warrants Issue.

Information on the Relevant Entity

- 9(a). State the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office).**
-

Registered office address and : 8 Pandan Crescent
principal place of business : #01-06
Singapore 128464

Telephone number : +65 6265 1311

Facsimile number : +65 6265 8100

-
- 9(b). State the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group.**
-

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The Company was incorporated on 2 April 2015 in Singapore and was listed on Catalist on 15 January 2016.

The Group is a regional clean air environmental and technological solutions group.

The Group's business comprises the following:

- (a) design, manufacture and distribution of clean room equipment such as fan filter units, air showers, clean benches, clean booths, clean hand dryers, clean supply units and pass boxes;
- (b) design, manufacture and distribution of HVAC equipment such as grilles, diffusers, fire dampers and marine dampers;
- (c) distribution and installation of cooling towers; and
- (d) design, manufacture and distribution of environmental and technological solutions products such as air purifiers.

As at the Latest Practicable Date, the subsidiaries of the Group and their principal activities are as follows:

Name of Subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group (%)
Eindec Holdings	Singapore	Investment holding	100.0
<u>Held through Eindec Holdings</u>			
Eindec Singapore	Singapore	Manufacturers and traders in air-conditioning and clean room equipment	100.0
Eindec Malaysia	Malaysia	Manufacturers and traders in air-conditioning and clean room equipment	100.0
Kyodo-Allied (Thailand) ⁽¹⁾	Thailand	Manufacturers, importers, exporters and traders in air-conditioning materials, supplies and equipment	49.0 ⁽²⁾
Eindec Shanghai	PRC	Clean room equipment and ventilation equipment wholesale, commission agency, import and export of industrial products and related supporting businesses	100.0
Eindec Shenzhen	PRC	Industrial clean room equipment, air purification filter equipment and its parts and components, the transfer of	100.0

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Name of Subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group (%)
		technology of its own research and development, technology consultation, technology services and after-sales service	
Notes:			
(1)	In the process of liquidation.		
(2)	This represents the legal interests of the Group in Kyodo-Allied (Thailand). Kyodo-Allied (Thailand) is considered a wholly-owned subsidiary of the Company as the Group has beneficial interest in all the shares of the subsidiary.		

9(c). State the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

(i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or

(ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published.

The general developments in the business of the Group in the three (3) most recent completed financial years up to the Latest Practicable Date are set out below. Shareholders are advised to refer to the Offer Document, the public announcements released by the Company via SGXNET and Part V of this Offer Information Statement for further details.

Key business developments in FY2013

The Group initiated efforts to develop its existing capabilities and strengths by improving on its manufacturing and distribution processes, and enhancing its research and development efforts in order to improve its products.

The Group had also undertaken a major corporate restructuring so as to reinforce its branding as a clean room equipment supplier. The Group had been looking into areas to further develop its clean room equipment sector and penetrate into new markets such as the PRC where the Group believes there may be higher growth opportunities.

Key business developments in FY2014

In FY2014, the Group developed a work plan to leverage on its existing technological expertise in clean room equipment in its objective to venture into the consumer air purifier market. The Group also continued to enhance its existing business relationships, including its relationship with Liang Chi Industry Co., Ltd., the manufacturer of the cooling towers which the Group distributes. In the same year, the Group expanded the manufacture and distribution of marine dampers into the offshore oil and gas sectors of the PRC market.

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In the fourth quarter of FY2014, the Group completed the design and prototype of its own brand of air purifiers, representing a major milestone in its history.

Key business developments in FY2015

In March 2015, the Group shifted its premises from 17 Kian Teck Road, Singapore 628771 to its current premises at 8 Pandan Crescent, #01-06, Singapore 128464.

On 2 April 2015, the Company was incorporated as a private limited company under the Companies Act to serve as the parent company of the Group.

On 13 May 2015, Eindex Holdings was incorporated as a private limited company under the Companies Act to serve as the intermediate holding company of the Group.

On 19 May 2015, Eindex Singapore was incorporated as a private limited company under the Companies Act.

On 1 July 2015, the Company entered into a share sale and purchase agreement ("**Share SPA**") with Xie Tong International to acquire the entire issued and paid-up share capital of Eindex Malaysia and Eindex Shanghai, and 49.0% of the issued and paid-up share capital of Kyodo-Allied (Thailand) (collectively, the "**Sale Shares**") for an aggregate purchase consideration of S\$6,370,000.00. The remaining 51.0% of Kyodo-Allied Thailand was held collectively by Eak Lowakij, Orapin Kisanakaraket and Oranuch Wang, who are all Thai nationals in accordance with Thai laws on foreign ownership. Subsequent to the Share SPA, the Company and Xie Tong International entered into a supplemental agreement on 15 July 2015 to provide that the purchase consideration shall be satisfied by the allotment and issuance of 1,000,000 Shares at the issue price of S\$6.37 per Share credited as fully paid in the capital of the Company ("**Share SPA Consideration Shares**") to Xie Tong International. The purchase consideration of S\$6,370,000.00 was based on the unaudited net asset value of each of Eindex Malaysia, Eindex Shanghai and Kyodo-Allied (Thailand) as at 30 June 2015. Pursuant to the Share SPA, Xie Tong International subsequently renounced the Share SPA Consideration Shares in favour of Weiye and the Company nominated Eindex Holdings to hold the Sale Shares. The Share SPA was completed on 5 November 2015.

On 1 July 2015, the Company entered into an asset sale and purchase agreement ("**Asset SPA**") with Xie Tong Technology to acquire all the businesses and assets of Xie Tong Technology as at 30 June 2015 ("**Cut-Off Date**"), save for a term loan from Bank of China Limited, Singapore Branch ("**BOC Term Loan**"), and all taxation ("**Xie Tong Business**"). Subsequent to the Asset SPA, the Company and Xie Tong Technology entered into a supplemental agreement on 15 July 2015 ("**Asset Supplemental SPA**") to provide that all taxation shall also be transferred to the Company, effective as of 15 July 2015. Pursuant to the Asset Supplemental SPA, the Xie Tong Business transferred to the Company included all taxation. Pursuant to the Asset SPA and the Asset Supplemental SPA, the purchase consideration was S\$2,930,000.00 being equivalent to the unaudited net asset value of the Xie Tong Business as at 30 June 2015. The purchase consideration was satisfied by the allotment and issuance of 1,000,000 Shares at the issue price of S\$2.93 per Share credited as fully paid in the capital of the Company ("**Asset SPA Consideration Shares**") to Xie Tong Technology, and the assumption of responsibility by Eindex Singapore for the satisfaction of all the liabilities owed by Xie Tong Technology existing at the date of completion of the Asset SPA, being 1 July 2015 (save for the taxation which was transferred on 15 July 2015). There was no change to the purchase consideration for the transfer of the Xie Tong Business pursuant to the Asset SPA and the Asset Supplemental SPA after the transfer of taxation to

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the Company, as no purchase consideration or taxation was quantified before such transfer of taxation. The transfer of taxation pursuant to the Asset Supplemental SPA did not have any impact on the unaudited net asset value of the Xie Tong Business as at 30 June 2015. Pursuant to the Asset SPA, Xie Tong Technology subsequently renounced the Asset SPA Consideration Shares in favour of Weiye and the Company nominated Eidec Singapore to take over the Xie Tong Business.

In connection with the Asset SPA, Xie Tong Technology also entered into a transitional services agreement with Eidec Singapore for the provision of certain transitional services in connection with the Asset SPA.

In connection with the Asset SPA, Weiye has also entered into a deed of indemnity to indemnify and hold harmless the Group in full from any claims, demands, proceedings, actions, damages, losses, costs, expenses, liabilities or penalties that may be brought against or suffered by any member of the Group as a result of, in connection with, incidental to or in consequence of, (a) any breach of the terms in the BOC Term Loan, through no default or failure on the part of the Company and/or its subsidiaries; (b) any delay by Xie Tong Technology in compliance or non-compliance with, or default or failure on the part of Xie Tong Technology to discharge and fulfil its obligations in accordance with, the terms of the BOC Term Loan, whether arising before or after the date of the deed of indemnity; and (c) any default or failure on the part of Xie Tong Technology to discharge and fulfil its obligations, or breach of any terms, under any of the arrangements, contracts, agreements or otherwise (other than the BOC Term Loan) occurring prior to the Cut-Off Date.

In July 2015, the Group carried out a rebranding exercise and changed its corporate identity to "Eidec" to better reflect the Group's business direction and future growth. This was in line with the Group's business expansion plan in the PRC market and product diversification from industrial type products of the clean room and HVAC business segments to other products such as environmental and technological solutions products. As part of the corporate identity rebranding exercise, the Group unveiled the new "Eidec" logo, incorporated new entities with names containing "Eidec" and changed the company names of existing entities within the Group to also contain "Eidec".

On 9 July 2015, Eidec Shenzhen was incorporated in Shenzhen, the PRC.

On 3 September 2015, the meeting of the shareholders of Kyodo-Allied (Thailand) resolved to approve, *inter alia*, the dissolution and liquidation of Kyodo-Allied (Thailand) and the appointment of its liquidators in order to assist in the liquidation process. On the same date, such resolution was registered with the Ministry of Commerce of Thailand. Upon such registration, the liquidation process cannot be revoked, terminated or cancelled for any reason. On 2 November 2015, Kyodo-Allied (Thailand) entered into an agreement for the sale of the land owned by Kyodo-Allied (Thailand) and the office building located thereon, for a purchase consideration of THB 13.0 million (equivalent to approximately S\$0.52 million).

On 13 September 2015, Eidec Malaysia was renamed "Eidec Technology (Malaysia) Sdn. Bhd." from its previous name of "Kyodo-Allied (Malaysia) Sdn. Bhd." as part of the Group's renaming exercise.

On 10 December 2015, the Company was converted into a public limited company and its name was changed to Eidec Corporation Limited.

Key business developments in 1H2016

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On 15 January 2016, the Shares were listed and commenced trading on Catalist.

On 20 May 2016, the Company announced that Eindex Singapore had begun the sale of its KYODO brand of air purifiers through Courts (Singapore) Pte Ltd ("**COURTS**"), a leading electrical products, IT products and furniture retailer in Singapore.

COURTS is the first major retailer that the Group partners for its KYODO brand of air purifiers.

Key business developments from 1 July 2016 to the Latest Practicable Date

On 18 July 2016, the Group's R&D team achieved a new breakthrough in commercial air purifiers leading to a successful tender award by a property developer in Henan Province. The total award of RMB33.0 million (equivalent to approximately S\$6.73 million) in total contract value comprises RMB3.0 million (equivalent to approximately S\$0.61 million) for the first phase for R&D and design and RMB30.0 million (equivalent to approximately S\$6.12 million) for the second phase for supply and installation phase in year 2017. The Group had commenced and have received its first progress payment for the first phase. The success of this project will mark the Group's focus to target its commercial air purifiers in the real estate industry.

9(d). State the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon.**
-

As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share : S\$16,818,001.00
capital

Number of ordinary shares in : 107,700,000
issue (excluding treasury
shares)

Loan Capital : The Company does not have any loan capital.

9(e). Where –

- (i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the Latest Practicable Date; or**
 - (ii) the relevant entity is not a corporation, state the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the Latest Practicable Date.**
-

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The interests of the Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date based on information recorded in the Register of Substantial Shareholders, are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Weiye Holdings Limited	71,900,000	66.76	-	-
Zhang Wei	-	-	71,900,000 ⁽²⁾	66.76
Chen Zhiyong	-	-	71,900,000 ⁽³⁾	66.76

Notes:

- (1) The percentage is calculated based on the total issued and paid-up share capital of 107,700,000 Shares as at the Latest Practicable Date.
- (2) Zhang Wei is deemed to have an interest in the Shares held by Weiye by virtue of his 46.4% shareholding in Weiye by virtue of Section 7 of the Companies Act.
- (3) 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.

9(f). Disclose any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group.

As at the Latest Practicable Date, the Board is not aware of any legal or arbitration proceedings pending or threatened or known to be contemplated by or against the Group which might or which have had in the 12 months immediately preceding the date of this Offer Information Statement, a material effect on the financial position or profitability of the Company or the Group taken as a whole or of any facts likely to give rise to such litigation or arbitration claim.

9(g). Where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the Latest Practicable Date:

- (i) If the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or
- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests.
-

On 5 November 2015, 1,000,000 Shares were allotted and issued to Weiye in satisfaction of the consideration pursuant to the share sale and purchase agreement dated 1 July 2015 entered into between the Company and Xie Tong International. Please refer to paragraph 9(c) of this Part for further details.

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On 8 December 2015, 2,000,001 Shares were sub-divided into 71,900,000 Shares.

On 13 January 2016, 35,800,000 new Shares were allotted and issued for a placement price of S\$0.21 each pursuant to the IPO.

Save as set out above, no securities or equity interests of the Company have been issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

9(h). Provide a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save as disclosed below and in paragraph 9(c) of this Part, neither the Company nor any of its subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) during the two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) the share sale and purchase agreement dated 1 July 2015 and the supplemental share sale and purchase agreement dated 15 July 2015 entered into by the Company with Xie Tong International to acquire the entire issued and paid-up share capital of Eindex Malaysia and Eindex Shanghai, and 49.0% of the issued and paid-up share capital of Kyodo-Allied (Thailand);
- (b) the asset sale and purchase agreement dated 1 July 2015 and the supplemental asset sale and purchase agreement dated 15 July 2015 entered into by the Company with Xie Tong Technology to acquire all the businesses and assets of Xie Tong Technology as at 30 June 2015, save for a term loan from Bank of China Limited, Singapore Branch;
- (c) the shared services agreement dated 1 July 2015 entered into by the Company with Weiye, in relation to the provision of accounting and administrative services by the Group to Weiye and its subsidiaries (excluding the Group);
- (d) the deed of undertaking dated 22 September 2015 entered into by the Company with Weiye, in relation to the amounts owing by the Group to Weiye and its subsidiaries (excluding the Group);
- (e) the sale and purchase agreement dated 2 November 2015 entered into by Kyodo-Allied (Thailand) in relation to the sale and purchase of the land owned by Kyodo-Allied (Thailand) and the office building located thereon;
- (f) the service agreement dated 9 December 2015 entered into between the Company and its Executive Director and CEO, Chia Wei Ho;
- (g) the management and full sponsorship agreement dated 6 January 2016 entered into between the Company and UOBKH, pursuant to which UOBKH agreed to manage and sponsor the IPO;

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- (h) the placement agreement dated 6 January 2016 entered into between the Company and UOBKH, pursuant to which UOBKH agreed to subscribe for and/or procure subscribers for placement shares pursuant to the IPO; and
- (i) the continuing sponsorship agreement dated 6 January 2016 entered into between the Company and UOBKH, pursuant to which the Company appointed UOBKH to act as the continuing sponsor of the Company for three (3) years from the date of the Company being listed on Catalist.

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PART V — OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated statement of comprehensive income of the Group for FY2013, FY2014 and FY2015, and the unaudited consolidated statement of comprehensive income of the Group for 1H2015 and 1H2016 are set out below.

<u>Consolidated Statement of Comprehensive Income (S\$'000)</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>1H2015</u>	<u>1H2016</u>
	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Audited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Revenue	14,375	14,270	16,851	6,600	9,824
Cost of Sales	(8,802)	(9,311)	(10,157)	(4,297)	(6,040)
Gross Profit	5,573	4,959	6,694	2,303	3,784
Other operating income	90	103	552	47	39
Other operating expenses	(3,515)	(3,375)	(5,891)	(1,917)	(3,109)
Results from operating activities	2,148	1,687	1,355	433	714
Finance costs	(143)	(60)	(87)	(18)	(72)
Profit before tax	2,005	1,627	1,268	415	642
Income tax expense	(273)	(261)	(479)	(57)	(365)
Profit for the year	1,732	1,366	789	358	277
Other comprehensive loss					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences from foreign operations	(141)	(92)	(755)	(133)	(122)
Total other comprehensive loss for the year, net of income tax	(141)	(92)	(755)	(133)	(122)
Total comprehensive income for the year	1,591	1,274	34	225	155

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<u>Consolidated Statement of Comprehensive Income (S\$'000)</u>	<u>FY2013</u> <u>(Audited)</u>	<u>FY2014</u> <u>(Audited)</u>	<u>FY2015</u> <u>(Audited)</u>	<u>1H2015</u> <u>(Unaudited)</u>	<u>1H2016</u> <u>(Unaudited)</u>
Earnings per Share:					
Basic earnings per Share (cents)	4.78 ⁽¹⁾	3.77 ⁽¹⁾	2.18 ⁽¹⁾	0.34 ⁽²⁾	0.26 ⁽²⁾
Diluted earnings per Share (cents)	4.78 ⁽¹⁾	3.77 ⁽¹⁾	2.18 ⁽¹⁾	0.34 ⁽²⁾	0.26 ⁽²⁾

Notes:

(1) Based on the weighted average number of ordinary shares of the Company in issue for FY2015 of 36,245,479.

(2) Based on the weighted average number of ordinary shares of the Company in issue for 1H2016 of 105,339,560.

Sources: Annual Reports of the Group for FY2013, FY2014 and FY2015; Appendix B of the Offer Document; unaudited financial results announcement of the Group for 1H2016

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

No dividends have been declared for the last three (3) financial years.

Assuming that the Bonus Warrants Issue had taken place on 1 January of FY2013, FY2014 and FY2015, and 1 July 2016, as the case may be, and that the Warrants are issued and fully exercised (the “**Full Warrants Exercise**”), and based on the respective statements of comprehensive income of the Group set out in the above paragraph 1 of this Part, the effects on the earnings per Share for FY2013, FY2014, FY2015 and 1H2016 are set out below.

<u>Financial year</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>1H2016</u>
Before Full Warrants Exercise:				
Dividend per share (cents)	Nil	Nil	Nil	Nil
Basic earnings per Share (cents)	4.78 ⁽¹⁾	3.77 ⁽¹⁾	2.18 ⁽¹⁾	0.26 ⁽²⁾
Diluted earnings per Share (cents)	4.78 ⁽¹⁾	3.77 ⁽¹⁾	2.18 ⁽¹⁾	0.26 ⁽²⁾
After Full Warrants Exercise⁽³⁾:				
Adjusted earnings per Share (cents)	1.60	1.26	0.73	0.16

Notes:

(1) Based on the weighted average number of ordinary shares of the Company in issue for FY2015 of 36,245,479.

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(2) Based on the weighted average number of ordinary shares of the Company in issue for 1H2016 of 105,339,560.

(3) Based on the enlarged share capital of the Company following the allotment and issue of New Shares.

The above financial effects are calculated based on the weighted average number of Shares after adjusting for the New Shares issued pursuant to the Full Warrants Exercise and do not take into account the effects of the use of proceeds from the Full Warrants Exercise. These financial effects are for illustrative purposes only and are not projections of the actual future financial performance of the Group after the Full Warrants Exercise.

3. In respect of –

(a) each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group.

A summary of the operations, business and financial performance of the Group for FY2013, FY2014, FY2015 and 1H2016 is set out below:

1H2016 vs 1H2015

Revenue and gross profit

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

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

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aggregate as a result of the reduction in corresponding sales revenue. As a result, the Group recorded a higher gross margin of 38.5% in 1H2016 as compared to 34.9% in 1H2015.

Other operating expenses

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

Finance Costs

The Group's finance costs increased by S\$0.05 million in 1H2016 to S\$0.07 million as compared to S\$0.02 million in 1H2015 mainly due to interest charged by the Company's ultimate holding company for the net amount owing of S\$2.04 million as at 30 June 2016. Prior to the listing of the Company, no interest was charged as the Company was a wholly-owned subsidiary of its ultimate holding company, Weiye. Following the listing and as disclosed on page 134 of the Offer Document, Weiye has agreed to continue to extend the amount owing to the Company on an unsecured basis with no fixed repayment terms and interest was charged at a rate equivalent to the three (3)-month Swap Offer Rate plus 3.5% in accordance with the deed of undertaking dated 22 September 2015 entered into by the Group with Weiye.

Income tax expense

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

Net profit

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

FY2015 vs FY2014

Revenue and gross profit

The Group's revenue increased by S\$2.58 million in FY2015 to S\$16.85 million as compared to S\$14.27 million in FY2014 primarily due to the success in its new environmental and technological solution products business operation which focuses on air purifier products in the PRC and generated revenue of S\$2.09 million in FY2015. In addition, the Group's revenue for HVAC equipment increased by S\$0.43 million in FY2015 to S\$6.81 million as compared to S\$6.38 million in FY2014.

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The Group's gross profit increased by S\$1.74 million in FY2015 to S\$6.70 million as compared to S\$4.96 million in FY2014 due to the sale of air purifier products with a higher profit margin, more clean room equipment servicing project work with a higher profit margin, higher sales in higher profit margin clean room equipment and higher sales volume to cover fixed overhead costs which remained fairly constant in FY2015. As a result, the Group recorded a higher gross margin of 39.7% in FY2015 as compared to 34.8% in FY2014.

Other operating income

The Group's other income increased by S\$0.35 million in FY2015 to S\$0.43 million as compared to S\$0.08 million in FY2014 due to the one-off gain of approximately S\$0.34 million from disposal of freehold land and building in Thailand.

Other operating expenses

The Group's other operating expenses increased by S\$2.43 million in FY2015 to S\$5.78 million as compared to S\$3.35 million in FY2014 mainly due to the start-up of its new environmental and technological solution products business operation in the PRC via the establishment of a wholly-owned subsidiary based in Shenzhen. In addition, the Group incurred one-off listing expenses of S\$1.07 million. There was also an increase in the contribution rate to the Central Provident Fund and salaries from the building of a new team in FY2015. Relocation of the Singapore operations to a new location with new premises lease expense incurred in FY2015 also contributed to the increase of other operating expenses.

Finance costs

The Group's finance costs increased by S\$0.03 million in FY2015 to S\$0.09 million as compared to S\$0.06 million in FY2014 mainly due to interest charged by the ultimate holding company for the net amount owing of S\$2.36 million. Prior to the listing of the Company, no interest was charged as the Company was a wholly-owned subsidiary of its ultimate holding company. Following the listing and as disclosed on page 134 of the Offer Document, the ultimate holding company has agreed to continue to extend the amount owing to the Company on an unsecured basis with no fixed repayment terms and interest was charged at a rate equivalent to the three (3)-month Swap Offer Rate plus 3.5% in accordance with a deed of undertaking.

Income tax expense

The Group's income tax expenses increased by S\$0.22 million in FY2015 to S\$0.48 million as compared to S\$0.26 million in FY2014 due to the shift of manufacturing operations from Singapore to Malaysia. The shift of manufacturing operations from Singapore to Malaysia was due to a shortage of competitively priced manufacturing space in Singapore and to improve utilisation of existing manufacturing facilities in Malaysia. Despite the increase in income tax expenses, the shift resulted in higher profit before tax achieved by the Group's subsidiary in Malaysia mainly as a result of the cost savings and better utilisation of fixed costs incurred.

Net profit

As a result of the foregoing, the Group's net profit decreased by S\$0.58 million from S\$1.37 million in FY2014 to S\$0.79 million in FY2015. For illustrative purposes, assuming the one-off gain on disposal of property, plant and equipment of S\$0.34 million and listing expenses of

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S\$1.07 million are excluded, the Group's net profit for FY2015 would have been approximately S\$1.52 million.

FY2014 vs FY2013

Revenue

Revenue decreased by approximately S\$0.11 million or 0.7% from approximately S\$14.38 million in FY2013 to approximately S\$14.27 million in FY2014. This was mainly the result of a decrease in revenue from the Group's HVAC equipment segment of approximately S\$0.35 million due to intense market competition in Singapore, which was partially offset by an increase in revenue from the Group's clean room equipment segment of approximately S\$0.21 million in FY2014.

Cost of sales

Cost of sales increased by approximately S\$0.51 million or 5.8% from approximately S\$8.80 million in FY2013 to approximately S\$9.31 million in FY2014. This increase was a result of higher direct materials costs for a particular clean room project undertaken by Eindec Shanghai without a corresponding increase in sales price due to intense market competition in the PRC then; as well as inflationary increases in the costs of direct materials.

Gross profit and gross profit margin

Gross profit decreased by approximately S\$0.61 million or 11.0% from approximately S\$5.57 million in FY2013 to approximately S\$4.96 million in FY2014. The Group's gross profit margins decreased from approximately 38.8% in FY2013 to approximately 34.8% in FY2014. This decrease was mainly due to strong competition experienced in both the Group's clean room equipment and HVAC equipment business segments during FY2014.

Gross profit margins of the Group's clean room equipment segment decreased from approximately 40.4% in FY2013 to approximately 35.4% in FY2014, largely as a result of the abovementioned project undertaken by Eindec Shanghai, as well as exports to Penang, Malaysia, contributing lower-than-average gross profit margins due to strong competition.

Gross profit margins of the Group's HVAC equipment segment decreased from approximately 36.4% in FY2013 to approximately 32.9% in FY2014 due to intense market competition in Singapore.

Other operating income

Other operating income decreased by approximately S\$0.01 million or 15.6% from approximately S\$0.09 million in FY2013 to approximately S\$0.08 million in FY2014. This decrease was mainly due to a reduction of S\$0.03 million in government grant income from FY2013 to FY2014.

Other operating expenses

Other operating expenses decreased by approximately S\$0.17 million or 4.8% from approximately S\$3.52 million in FY2013 to approximately S\$3.35 million in FY2014.

General and administration expenses decreased by approximately S\$0.17 million or 4.8% from approximately S\$3.49 million in FY2013 to approximately S\$3.32 million in FY2014. This

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decrease was mainly due to a decline of approximately S\$0.06 million in professional fees and of approximately S\$0.04 million in entertainment expenses being incurred in FY2014.

Finance costs

Finance costs decreased by approximately S\$0.08 million or 58.0% from approximately S\$0.14 million in FY2013 to approximately S\$0.06 million in FY2014. This decrease was mainly due to the repayment of term loans during FY2013.

Profit before income tax

As a result of the foregoing, the Group's profit before income tax decreased by approximately S\$0.38 million or 18.9% from approximately S\$2.01 million in FY2013 to approximately S\$1.63 million in FY2014.

Income tax expense

Income tax expense decreased by approximately S\$0.01 million or 4.4% from approximately S\$0.27 million in FY2013 to approximately S\$0.26 million in FY2014, despite an approximate 18.9% decrease in profit before income tax. This was largely due to a decrease in non-taxable income having been generated in FY2014.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:
- (a) the most recent completed financial year for which audited financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.
-

The audited statement of financial position of the Group as at 31 December 2015 and the unaudited statement of financial position of the Group as at 30 June 2016 is set out below.

(S\$'000)	<u>FY2015</u> <u>(Audited)</u>	<u>1H2016</u> <u>(Unaudited)</u>
Non-current assets		
Property, plant and equipment	4,685	4,631
Intangible assets	543	607
	<u>5,228</u>	<u>5,238</u>
Current assets		
Inventories	2,394	2,590
Trade and other receivables	6,517	7,428
Cash and cash equivalents	4,435	7,602
	<u>13,346</u>	<u>17,620</u>
Total assets	<u>18,574</u>	<u>22,858</u>
Equity attributable to owners of the Company		
Share capital	9,300	14,917

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Other reserves	(10,549)	(10,671)
Accumulated profits	10,366	10,643
Total equity	9,117	14,889
Liabilities		
Non-current liabilities		
Loans and borrowings	213	207
Deferred tax liabilities	204	86
	417	293
Current liabilities		
Loans and borrowings	892	259
Trade and other payables	7,704	6,903
Current tax payable	444	514
	9,040	7,676
Total liabilities	9,457	7,969
Total equity and liabilities	18,574	22,858

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

For illustrative purposes only, assuming that the Bonus Warrants Issue and Full Warrants Exercise had taken place on 31 December 2015 being the end of FY2015, and 1 July 2016 being the end of 1H2016, as the case may be, and based on the audited statement of financial position of the Group as at 31 December 2015 and the unaudited statement of financial position of the Group as at 30 June 2016 set out in the above paragraph 4 of this Part, the effects of the Bonus Warrants Issue and Full Warrants Exercise on the number of Shares and NAV per Share are set out below.

	<u>FY2015</u> <u>(Audited)</u>	<u>1H2016</u> <u>(Unaudited)</u>
Before the Bonus Warrants Issue		
NAV attributable to Shareholders (S\$'000)	9,117	14,889
Number of Shares before the Bonus Warrants Issue	107,700,000	107,700,000
NAV per Share (cents)	8.47	13.82
After the Bonus Warrants Issue (assuming Full Warrants Exercise)		
NAV attributable to Shareholders (S\$'000)	9,117	14,889
Add: Net Proceeds from the Bonus Warrants Issue (S\$'000)	8,560	8,560
Adjusted NAV after the Bonus Warrants Issue (S\$'000)	17,677	23,449
Number of Shares after the Bonus Warrants Issue	179,500,000	179,500,000
Adjusted NAV per Share after the Bonus	9.85	13.06

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Warrants Issue⁽¹⁾ (cents)

Note:

- (1) The adjusted NAV per Share after the Bonus Warrants Issue was calculated on the assumption that the New Shares were issued at the end of the financial period and added to the number of Shares in issue at the end of the financial period.

The above financial effects are calculated based on the number of Shares in issue at the end of the financial period after adjusting for the New Shares issued pursuant to the Full Warrants Exercise and do not take into account the effects of the use of proceeds from the Full Warrants Exercise. These financial effects are for illustrative purposes only and are not projections of the actual future financial position of the Group after the Full Warrants Exercise.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of cash flows for FY2015 and the unaudited consolidated statement of cash flows for 1H2016 are set out below.

(S\$'000)	<u>FY2015</u> <u>(Audited)</u>	<u>1H2016</u> <u>(Unaudited)</u>
Cash flows from operating activities		
Profit before tax	1,268	642
Adjustments for:		
Plant and equipment written off	11	3
Gain on disposal of property, plant and equipment	(398)	-
Interest expenses	87	72
Depreciation of property, plant and equipment	324	192
Amortisation of intangible assets	-	89
Interest income	(4)	(5)
Listing expenses	1,067	-
Effect of exchange rate changes	(37)	(7)
	<u>2,318</u>	<u>986</u>
Changes in working capital:		
Inventories	278	(196)
Trade and other receivables	(714)	(1,010)
Trade and other payables	1,372	(443)
Cash generated from operations	<u>3,254</u>	<u>(663)</u>
Income taxes paid	(145)	(295)
Net cash generated from operating activities	<u>3,109</u>	<u>(958)</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	568	-
Decrease in amount due from ultimate holding company (non-trade)	1,095	101

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Decrease in amount due from related corporation (non-trade)	247	-
Interest received	4	5
Purchase of property, plant and equipment	(514)	(92)
Payment for development expenditure capitalised in intangible assets	(347)	(153)
Net cash generated from investing activities	1,053	(139)
Cash flows from financing activities		
Repayment of finance lease obligations	(25)	(11)
Interest paid	(87)	(72)
Repayment of loans and borrowings	(306)	(749)
Decrease in amount due to ultimate holding company (non-trade)	(1,963)	(357)
Proceeds from issue of shares	-	7,518
Payment for listing expense	(1,042)	(1,901)
Net cash used in financing activities	(3,423)	4,428
Net increase in cash and cash equivalents	739	3,331
Cash and cash equivalents as at 1 January	3,095	4,435
Effect of exchange rate fluctuations on cash held	(42)	(164)
Cash and equivalents as at 31 December	3,792	7,602

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 December:

Cash at bank and on hand	4,435	7,602
Less: bank overdrafts	(643)	-
Total cash and cash equivalents in statement of cash flows	3,792	7,602

Non-cash transaction:

During the financial year ended 31 December 2015, the Group acquired plant and equipment with an aggregate cost of S\$589,000, of which S\$75,000 was acquired under finance leases.

A review of the cash flow statement of the Group for FY2015 and 1H2016 is set out below:

FY2015

The Group's total cash and cash equivalents increased by S\$0.69 million in FY2015 to S\$3.79 million as compared to S\$3.10 million in FY2014.

Net cash generated from operating activities amounted to S\$3.11 million, which comprised operating cash flows before changes in working capital of S\$2.32 million, net of working capital cash inflow of S\$0.94 million and income tax paid of S\$0.15 million. The net working capital inflow arose mainly from an increase of S\$1.09 million in trade and other payables, an increase of S\$0.71 million in trade and other receivables and a decrease of S\$0.28 million in inventories.

Net cash generated from investing activities amounted to S\$1.05 million mainly due to a decrease in amounts due from the ultimate holding company and related corporation by S\$1.34 million in aggregate and proceeds from the sale of the Group's property, plant and equipment amounting to S\$0.57 million, offset by the purchase of property, plant and equipment mainly in the PRC amounting to S\$0.51 million.

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Net cash used in financing activities amounted to S\$3.42 million mainly due to a decrease in amount due to the ultimate holding company by S\$1.96 million and payment for listing expenses of S\$1.04 million in FY2015, offset by lower repayment of loans and borrowings as compared to FY2014 as the Group did not utilise facilities for bankers' acceptances subsequent to full repayment in FY2014.

1H2016

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

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

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

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

-
- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if the relevant entity is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary, is proposed to be provided.**
-

As at the date of lodgement of this Offer Information Statement, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into consideration the present internal resources, the operating cashflows and the present bank facilities of the Group, the working capital available to the Group is sufficient to meet its present requirements.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide:**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
-

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- (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
-

To the best of the Directors' knowledge as at the date of lodgement of this Offer Information Statement, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
-

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Offer Document, the Company's annual report for FY2015 and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on turnover, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and financial prospects

Barring unforeseen circumstances, the Directors anticipate the following:

- (a) increasing demand for consumer air purifiers in the PRC;
- (b) slowing demand for clean room and HVAC equipment due to generally weak global growth as a result of hesitant recovery of advanced economies, lacklustre demand in key export markets of the Chinese economy and unpredictable consequences of the United Kingdom's vote to leave the European Union; and
- (c) slowing demand for fire and smoke dampers to be used onboard oil rigs, due to the current global downturn in the offshore oil and gas sector caused by low oil prices.

Uncertainties, events, actors and risks

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Notwithstanding the above, to the best of the Directors' knowledge and belief as at the Latest Practicable Date, the key risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Bonus Warrants Issue (save for those which have already been disclosed to the general public) are set out in **Appendix A** to this Offer Information Statement. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Shares and/or the Warrants.

The risks described in **Appendix A** to this Offer Information Statement are not intended to be exhaustive. In addition to the risks described in **Appendix A** to this Offer Information Statement, the Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. In addition, there may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or the New Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares, the Warrants and/or the New Shares.

Please refer to **Appendix A** to this Offer Information Statement for certain uncertainties, events, factors or risks which could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

-
- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
-

Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

-
- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

- 15. Disclose any event that has occurred from the end of:**
- (a) the most recent completed financial year for which financial statements have been published; or**
 - (b) if interim financial statements have been published for any subsequent period, that period,**
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative**
-

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statement.

Save as disclosed in this Offer Information Statement, the Offer Document, the Company's annual report for FY2015 and in all public announcements made by the Company via SGXNET, the Directors are not aware of any event which has occurred since 1 July 2016 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

Meaning of "published"

- 16. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.**
-

Noted.

PART VI — THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
-

The Warrants to be issued are free. The exercise price of each Warrant is S\$0.12 for each New Share, payable in full upon exercise of a Warrant (subject to any adjustment under certain circumstances as provided for in the Deed Poll).

No expense incurred by the Company in respect of the Warrants Issue will be specifically charged to Shareholders.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
-

The Shares are traded on Catalist. The Warrants are issued free to Entitled Shareholders.

The Company has obtained a listing and quotation notice from the SGX-ST on 20 July 2016 for the listing of and quotation for the Warrants and the New Shares on Catalist, subject to certain conditions.

The Exercise Price of S\$0.12 for each New Share was determined by the Company after taking into consideration, *inter alia*, the market price of the Shares and the Exercise Period of the Warrants.

The Exercise Price of S\$0.12 represents a premium of approximately 33.3% to the last transacted price of S\$0.09 per Share on the SGX-ST on 16 May 2016 (being the last trading day where there were trades prior to the date on which the Company announced the Bonus Warrants Issue).

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**
- indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**
-

Not applicable, as the Warrants are issued free to Entitled Shareholders and none of the Shareholders has any pre-emptive rights. Save for the terms and conditions set out in the

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Deed Poll and disclosed in this Offer Information Statement, the exercise of Warrants is not restricted.

As there may be prohibitions or restrictions against the offering of the Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Bonus Warrants Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Bonus Warrants Issue" of this Offer Information Statement for more information.

-
- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange:**
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:**
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:**
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**
-

- (a) Not applicable. The Shares have been listed and quoted on the SGX-ST for less than 12 months immediately preceding the Latest Practicable Date.
- (b) No securities in the same class as the Warrants are listed for quotation on any securities exchange. However, the New Shares to be issued upon any exercise of the Warrants are of the same class as the Shares and such Shares are listed for quotation on Catalist.

The price range and volume of the Shares traded on the SGX-ST for (i) each calendar month immediately preceding August 2016; and (ii) for the period from 1 August 2016 to the Latest Practicable Date are as follows:

	Highest price	Lowest price	Volume of Shares traded

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	(S\$)	(S\$)	
January 2016	0.255	0.197	28,662,800
February 2016	0.205	0.185	4,735,600
March 2016	0.185	0.101	496,100
April 2016	0.130	0.110	1,005,100
May 2016	0.110	0.090	522,600
June 2016	0.103	0.083	11,000
July 2016	0.103	0.069	148,000
1 August 2016 to the Latest Practicable Date	0.084	0.072	91,200

Source: Bloomberg L.P. ⁽¹⁾

Note:

- (1) Bloomberg L.P. has not consented to the inclusion of the above information in this Offer Information Statement and is therefore not liable for such information under Sections 253 and 254 of the Securities and Future Act. The Company has included the above information in its proper form and context in this Offer Information Statement and has not independently verified the accuracy of the above information.
- (c) There has been no significant trading suspension for the Shares on Catalist during the period from 15 January 2016 (being the date on which the Shares were first listed) to the Latest Practicable Date, save for temporary trading halts for the purposes of releasing material announcements.
- (d) Please refer to the table set out in paragraph 4(b) above for the volume of Shares traded during each calendar month immediately preceding the Latest Practicable Date and for the period from 1 August 2016 to the Latest Practicable Date.

-
- 5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide:**
- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.
-

The Warrants will, upon issue, be a new class of securities. Each Warrant entitles the Warrant Holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions to be set out in the Deed Poll. The New Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the New Shares.

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Please refer to **Appendix B** to this Offer Information Statement for information on the rights, preferences and restrictions attached to the Warrants.

The Warrants and the New Shares are proposed to be issued pursuant to the share issue mandate approved by the Shareholders at the Company's annual general meeting held on 28 April 2016.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Bonus Warrants Issue is to be made to the Entitled Shareholders on the basis of two (2) Warrants for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Fractional entitlements to the Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will be dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

As there may be prohibitions or restrictions against the allotment of Warrants in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Bonus Warrants Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Bonus Warrants Issue" of this Offer Information Statement for further details.

The allotment and issue of the Warrants pursuant to the Bonus Warrants Issue is governed by the terms and conditions as set out in this Offer Information Statement, including **Appendix B**.

The Warrants are issued free to Entitled Shareholders and are not offered through any broker or dealer.

-
- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
-

The Warrants will be issued free to Entitled Shareholders. There are no underwriters appointed in relation to the Bonus Warrants Issue.

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PART VII — ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert—**

- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

Not applicable. No issue manager or underwriter has been appointed in relation to the Bonus Warrants Issue.

Other Matters

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5. Include particulars of any other matters not disclosed under any paragraph of this Schedule which could materially affect, directly or indirectly —
- (a) the relevant entity's business, operations or financial position or results; or
 - (b) investments by holders of securities in the relevant entity.
-

Save as disclosed in this Offer Information Statement, the Offer Document and the Company's annual reports and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Group's business, operations or financial position or investments by holders of securities in the Company.

**PART VIII — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES
OR UNITS OF DEBENTURES**

Not applicable.

PART IX — ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

**PART X — ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY
WAY OF RIGHTS ISSUE**

Not applicable.

Prospective subscribers and Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Warrants. The Group could be affected by a number of risks that may relate to the industry and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition, net sales, revenues, profitability, liquidity, capital resources and/or prospects of the Group could be materially or adversely affected. In that event, the trading price of the Shares, the Warrants and/or the New Shares could decline, and investors may lose all or part of their investment in the Shares, the Warrants and/or the New Shares.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

The Group is dependent on the electronics and building industries

The Group designs and manufactures clean room equipment for the electronics industry, and HVAC equipment mainly for the electronics and building industries. Consequently, the Group's revenue will be adversely affected should there be any slowdown in the electronics and building industries and if the Group is not able to successfully offer its products in other industries. Accordingly, the Group is dependent on the growth of the electronics and building industries in Singapore, and any change or slowdown in growth of these industries in Singapore may have an adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group may not be able to increase sales to its existing customers and attract new customers

The growth of the Group depends on its ability to continue to expand its products offered to existing customers and attract new customers. The Group's growth may be affected for a number of reasons, including the possibility of a reduction in the demand for its products due to economic recession, its customers being unable to differentiate its products from those of its competitors or the Group being unable to effectively communicate such distinctions, or if the Group is unable to expand its sales to existing customers.

A substantial amount of the Group's past revenues was derived from sales to existing customers. The Group's costs associated with generating revenues from new customers are generally higher than costs associated with increasing revenues from existing customers. Therefore, slowing revenue growth or declining revenues from existing customers, even if offset by an increase in revenues from new customers, could reduce the Group's operating margins. Any failure for a prolonged period of time to continue attracting new customers or to grow its revenues from existing customers could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may face challenges and uncertainty in the commercialisation of its new air purifier business

The Group has completed the design and prototype of its own brand of air purifiers, and has launched its air purifiers in the PRC. The Group intends to subsequently expand the marketing of its air purifiers

to regional countries. The Group incorporated Eidec Shenzhen to undertake the sales and marketing of its air purifiers in the PRC. In addition, Eidec Singapore will undertake the sales and marketing of the Group's air purifiers in Southeast Asia. However, the Group may face challenges and uncertainty in the commercialisation of its new air purifier business as such products may not enjoy commercial acceptance or success, which would adversely affect the Group's business, financial condition, results of operations and prospects.

Several factors could limit the successful commercialisation of the Group's new air purifiers, including:

- limited market acceptance or familiarity among distributors and third-party purchasers;
- the Group's inability to develop a sales force or network of distributors capable of effectively marketing its products;
- the Group's limitations in responding promptly to any unanticipated market demand for its products;
- the Group's inability to target the correct market segment and price its product appropriately; and
- the Group's inability to compete with competitors who have an established market presence and strong financial and technological resources.

The Group may not be able to compete effectively against its competitors

The Group operates in a competitive industry and it expects to face more intense competition from existing competitors and new market entrants in the future. Some of these competitors may have larger business operations and greater financial resources than the Group. Competitive factors include technical expertise, customer service, pricing and geographical presence. To compete successfully, the Group needs to continually develop innovative solutions and adopt competitive pricing in order to attract buyers for its products. There is no assurance that it will be able to remain competitive. Should the Group be unable to compete successfully against its competitors, this will have an adverse impact on its business, financial condition, results of operations and prospects.

The Group is exposed to the credit risks of its customers

The Group may extend credit terms to its customers ranging from 30 days to 60 days on a case-by-case basis depending on, amongst others, their creditworthiness and the length of the customer relationship. The Group has also experienced write-offs and doubtful debts. The Group's customers may be unable to meet their contractual payment obligations to the Group, whether in a timely manner or at all. In addition, the Group's customers may cancel their orders. The reasons for payment delays, cancellations or defaults by the Group's customers may include, amongst others, insolvency, bankruptcy, or insufficient financing or working capital due to late payments by their respective end customers. The Group may not be able to enforce its contractual rights to receive payment through legal proceedings. In the event that the Group is not able to collect payments from its customers, its business, financial condition, results of operations and prospects may be adversely affected.

The Group is subject to technological changes

The Group is in a business which is subject to technological change and constantly evolving industry standards. In particular, new standards of air purity are evolving in connection with the manufacture of increasingly sensitive equipment and new demands are placed on the development of equipment that

may facilitate new manufacturing methods or processes. The Group needs to continually invest its resources in R&D to develop new technology and to improve its existing products or to develop new products in order to compete with other clean room equipment and HVAC equipment manufacturers. There is however no assurance that resources committed to its R&D efforts will translate into the successful improvisation of existing products or the development of new and enhanced products. In addition, the failure to keep up with technological changes will affect the Group's ability to introduce new or enhanced products and will have an adverse impact on the Group's competitiveness and affect its business, financial condition, results of operations and prospects.

The Group may face disputes and claims

The Group may face disputes with and claims by its customers, suppliers and/or other parties in the course of its business, due to various reasons such as delays or non-payment of monies owing, delays in delivery, defective products, poor services rendered and non-compliance with other contractual terms and conditions. In addition, as the Group also designs and manufactures customised equipment according to the specifications of its customers, failure to implement projects which fully satisfy the requirements and expectations of its customers may lead to delays and increased costs if reproduction or rectification of the products is required. This may also lead to claims against the Group which will adversely affect its profits and reputation. To the best of the Directors' knowledge, there have been no customer claims or disputes since the Group's inception. However, there is no assurance that such claims and disputes will not arise in the future.

Such disputes may lead to legal or other proceedings and may result in substantial costs being incurred and the diversion of the Group's management's resources and attention from its business. If such legal or other proceedings are not concluded in the Group's favour and it is found liable in such disputes for any claims and/or damages and incurs legal and other costs, or if it accepts settlement terms that are unfavourable to it, the Group's business, financial condition, results of operations and prospects, as well as its reputation, may be adversely affected.

The Group is exposed to risks of intellectual property infringement

Pursuant to the restructuring exercise undertaken by the Group in connection with the IPO, the Group acquired the businesses and assets of Xie Tong Technology, including the intellectual property owned by Xie Tong Technology. This intellectual property comprises trademarks in respect of the Group's clean room equipment and HVAC equipment in the countries where it conducts business or sells its products and where registration is available and deemed necessary and appropriate, and patents relating to the manufacture of its clean room equipment. The Group has entered into assignment agreements to transfer the ownership of the trademarks and patents owned by Xie Tong Technology to Eindex Singapore, pursuant to which Eindex Singapore has the right to use such trademarks and patents. To some extent, the success of the Group's business is dependent on the effective protection of its trademarks and patents, as the inability to do so may compromise the growth of its business or gross margins. There is no assurance that the Group will obtain adequate protection and remedies if its intellectual property rights are infringed upon.

To date, the Group is not aware of any infringement by it of third-party intellectual property rights and it has not been involved in any infringement claims against third parties. There is no assurance that such claims would not arise in the future. Further, in the event that any third party makes a claim against the Group, whether with or without merit, the Group will be required to incur expenses in defending the claim against it and failing which, it will have to discontinue the use of certain process technologies and/or pay substantial monetary damages. This will adversely impact the Group's business, financial condition, results of operations and prospects.

The Group is subject to the availability and price fluctuations of raw materials, blowers and electrical equipment

The primary raw materials used in the Group's manufacturing facilities are steel sheets and aluminium, as well as blowers and electrical equipment. The Group purchases its raw materials mainly from suppliers in Malaysia, the PRC and Europe. The Group's blowers and electrical equipment are purchased mainly from suppliers in Europe. The market prices of steel sheets and aluminium may fluctuate due to, amongst others, changes in global supply and demand conditions. The Group may only be able to increase its selling price and pass on the increased costs to its customers if it is able to maintain its competitiveness in the market.

As the Group does not have any significant long-term supply agreements with its suppliers, there is no assurance that it will not face shortages of raw materials, blowers and electrical equipment to meet its manufacturing requirements in the future. Although the Group has not encountered any such shortage in the past, any sudden shortage of supply or reduction of allocation of raw materials, blowers and electrical equipment to it by its suppliers which could be caused by, amongst others, erratic unfavourable weather conditions or demand and supply conditions, may result in the Group having to pay higher prices for these raw materials, blowers and electrical equipment, thereby adversely affecting the Group's business and results of operations. In the event that the Group is unable to find a comparable source of supply at competitive prices or to pass on any such increases in the costs of such raw materials, blowers and electrical equipment to its customers on a timely basis, the profit margins for its products may be adversely affected. Accordingly, the Group's business, financial condition, results of operations and prospects may be adversely affected.

In addition, the Group also purchases and maintains an inventory of raw materials, blowers and electrical equipment ahead of receipt of orders from its customers. Should there be any increases in the prices of steel sheets and aluminium, or blowers and electrical equipment, which result in an increase in its costs of sales, and the Group is unable to pass these cost increases on to its customers, the profitability and financial performance of the Group may be adversely affected.

The Group is dependent on the credit terms given by its suppliers

The Group's suppliers typically grant it credit terms of between 30 days and 60 days. In the event that the Group's suppliers terminate or shorten the credit terms granted to it due to, amongst others, poor economic conditions, and the Group is unable to seek alternative sources in a timely manner and/or at competitive costs, its business, financial condition, results of operations and prospects may be adversely affected.

The Group requires various permits, business licences and approvals for its operations

The Group's business operations are subject to various local regulatory and licensing requirements. The Group is required to obtain certain permits, licences and certificates from various governmental authorities for its business operations. Some of these permits and business licences are subject to periodic renewal and reassessment by the relevant government authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. Non-renewal of the Group's permits, licences and approvals will have a material adverse effect on its operations and the Group may not be able to carry on its business without such permits, licences and approvals being granted or renewed.

In addition, any changes in, or to the interpretation and application of, the laws, regulations, rules, codes, guidelines, directives, policies or other requirements applicable to the Group may lead to an

increase in its cost of operations or result in unforeseen capital expenditure in order to ensure the Group's compliance with such changes.

Some of the licences, permits and approvals may also be subject to the conditions stipulated therein and the Group has to constantly monitor and ensure compliance with such conditions. Any failure by it to obtain, renew or maintain the required licences, registrations, approvals and permits, or the cancellation, suspension or revocation of any of its licences, registrations, approvals and permits may result in the disruption of the Group's business and operations and the imposition of a statutory penalty which may adversely affect its business, financial condition, results of operations and prospects.

The Group's insurance coverage may be inadequate to indemnify it against all possible liabilities

The Group maintains various insurance policies including directors and officers liability insurance, fire and machinery insurance, public liability insurance, accident insurance for its employees, property insurance, work injury compensation insurance and equipment all risks insurance. There is however no assurance that such insurance policies will be sufficient to cover all of the Group's potential losses. In the event that the Group's insurance coverage is insufficient to indemnify it against all possible liabilities or losses arising from its business operations, its business, financial condition, results of operations and prospects may be adversely affected. In addition, the Group does not currently have product liability insurance coverage. A successful product liability claim or series of claims brought against the Group could result in judgments, fines, damages and liabilities that could have a material adverse effect on its business, financial condition, results of operations and prospects. The Group may incur significant expense investigating and defending these claims, even if they do not result in liability. Moreover, even if no judgments, fines, damages or liabilities are imposed on the Group, its reputation could suffer, which could in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may face disruptions at its design, fabrication and installation facilities

The Group may face disruptions to its manufacturing operations at its design, fabrication and installation facilities due to unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, and other calamities or events beyond its control. This could result in longer lead-times being required for manufacturing and delayed delivery to its customers.

Notwithstanding the measures and steps that the Group has taken, there is no assurance that emergency crises would not cause disruptions in its operations. As a result of such disruptions, failure to meet its customers' expectations and make deliveries as required by its agreements with customers could damage its reputation and/or expose it to legal claims and may, as a result, lead to loss of business and affect its ability to attract new business. In such events, the Group's business, financial condition, results of operations and prospects will be adversely affected.

There is no assurance that the Group's rebranding exercise will be successful

In July 2015, the Group carried out its rebranding exercise and changed its corporate identity to "Eindec" to better reflect the Group's business direction and future growth. The Group currently uses the "Kyodo" brand for most of its existing products and it is evaluating the rebranding of its products under the "Eindec" brand. There is no assurance that any such rebranding exercise undertaken will be successful. In the event the Group's customers are unable to identify with the "Eindec" brand or in the event its customers and suppliers are not able to relate the "Eindec" brand to the Group, the Group

may lose the goodwill accumulated in connection with its "Kyodo" brand, and its business, financial condition, results of operations and prospects may be adversely affected.

The Group may not be able to successfully implement its business strategies and future plans

In determining its business strategies and future plans, the Group has made certain assumptions about the future economic performance of the countries and industries in which it currently operates and/or intends to expand into.

The successful implementation of the Group's strategies will entail, amongst others, actively managing its business, identifying suitable acquisition opportunities and making such acquisitions, undertaking development or asset enhancement initiatives, retaining and securing customers and raising funds in the capital or credit markets. The Group's ability to successfully implement its strategies is also dependent on various other factors including, but not limited to, the competition it faces in its business, which may affect its ability to secure customers on terms acceptable to it, and its ability to retain its key employees.

The Group's ability to expand into new markets is dependent on its ability to adapt its experience and expertise and to understand and navigate the new environment. There is no assurance that it will be able to implement all or some of its business strategies, and the failure to do so may materially adversely affect its business, financial condition, results of operations and prospects.

The Group is dependent on its ability to retain the services of its Directors and key personnel

The Group believes that its success to date has been largely attributed to the contributions and expertise of its Executive Director and CEO, Paul Chia, as well as its key executive officers, who have extensive experience in the Group's businesses or relevant industries. The Group's continued success will depend on its ability to retain the services of its Executive Director and CEO and its key executive officers. The loss of the services of its Executive Director and CEO or any of its key executive officers without suitable and timely replacement, or the inability to attract and retain qualified personnel, may adversely affect its business, financial condition, results of operations and prospects.

The Group is dependent on its ability to attract and retain skilled personnel

The Group's business requires highly skilled personnel such as project engineers and site technicians. Skilled personnel with the appropriate experience in its industries are limited and competition for the employment of such personnel is intense. There is no assurance that the Group will be able to attract the necessary skilled personnel to work for it, that it will be able to retain the skilled personnel whom it has trained at its own cost, or that suitable and timely replacements can be found for skilled personnel who leave the Group. If the Group is unable to continue to attract and retain skilled employees, this would adversely affect its business, financial condition, results of operations and prospects.

The Group's financing costs may be adversely impacted by increases in interest rates

The Group may be subject to risks normally associated with debt financing, including exposure to fluctuations in interest rates and the inability to meet payments of the principal amount and interest. This is because a significant increase in interest rates would increase the Group's borrowing and financing costs, which would in turn weaken the Group's financial standing when seeking future financing. This may adversely affect its business, financial condition, results of operations and prospects.

The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group may engage in acquisitions, joint ventures or strategic alliances with third parties in Singapore as well as in overseas markets including, but not limited to, Malaysia and the PRC.

Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of the Group's management's attention from existing business operations and the loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. In such events, the Group's financial performance may be adversely affected.

If there are disagreements between the Group and its joint venture partners (if any) regarding the business and operations of such joint ventures, there is no assurance that the Group will be able to resolve them in a manner that will be favourable to it. In addition, such joint venture partners may (i) have economic or business interests or goals that are inconsistent with the Group's; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may adversely affect the performance of the Group's joint ventures, which may in turn adversely affect its business, financial condition, results of operations and prospects.

The Group may be affected by conflicts, terrorist attacks, natural disasters, an outbreak of communicable diseases or other events beyond its control

Any fresh occurrence of terrorist attacks and conflicts, natural disasters, riots, demonstrations, social unrest, international sanctions such as those on Russia by the United States of America and the European Union and other events beyond the Group's control, in particular, in the countries where it, its customers or its suppliers are located, may disrupt its business operations or cause unexpected destruction, or lead to economic and social uncertainties and may result in an economic downturn. This may in turn adversely affect its business, financial condition, results of operations and prospects.

Furthermore, an outbreak of Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome Coronavirus, Ebola virus disease, avian influenza, Influenza A or any other communicable diseases in the future in the countries in which it, its customers or its suppliers operate may potentially affect it. In particular, its operations and/or the operations of its customers or its suppliers may be disrupted and business sentiments, activities and spending could be adversely affected. This may in turn adversely affect the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GROUP'S OVERSEAS OPERATIONS**The Group is exposed to foreign exchange risks**

The Group's revenue is predominantly denominated in S\$, and its purchases are predominantly denominated in S\$.

To the extent that its revenue stream and its purchases are not naturally matched in the same currency, the Group will have a net foreign exchange exposure and will be exposed to any adverse fluctuation of foreign currencies against the S\$. Overall net foreign exchange gain or loss will be determined by the extent of the impact on its revenue and total purchases as well as translations of foreign currency monetary assets and liabilities as at the end of the reporting period arising from the fluctuation of foreign currencies against the S\$. In addition, any significant depreciation of foreign

currencies against the S\$ arising from timing differences between revenue recognised and actual receipt of such foreign currencies from its customers would result in the Group incurring foreign exchange losses. Conversely, any significant appreciation of foreign currencies against the S\$ arising from the timing differences between costs recognised and actual payment to its suppliers of services will result in it incurring foreign exchange losses.

Given that the reporting currency of the Group's financial statements is S\$, in order to prepare its financial statements, the Group translates the financial statements of its Malaysian and PRC subsidiaries, from RM and RMB, respectively, to S\$ based on the average exchange rates prevailing over the relevant period of the profit and loss account and based on the closing exchange rates for the balance sheet. Fluctuations in exchange rates may adversely affect its financial performance and financial condition.

The Group does not currently have any formal policy for hedging against foreign exchange exposure. It will continue to monitor its foreign exchange exposure and may employ forward currency contracts to manage its foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, it will seek the approval of the Board on the policy and put in place adequate procedures which shall be reviewed and approved by its Audit Committee. Thereafter, all hedging transactions entered into by the Group will be in accordance with the approved policies and procedures.

The Group is exposed to general risks associated with doing business outside Singapore and in emerging and developing markets

There are risks which are inherent in doing business overseas, such as unexpected changes in legislation, regulatory requirements and government policies, economic downturns, difficulties in staffing and managing foreign operations, social and political instability, controls and fluctuations in currency exchange and interest rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, investment restrictions, variable and unexpected changes in local laws and barriers to the repatriation of capital or profits, any of which could affect the Group's overseas operations and, consequently, its business, financial condition, results of operations and prospects.

The disruptions experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries with emerging markets, such as those in Southeast Asia where the Group operates, may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and hence any factors that impact market confidence, including a downgrade in credit ratings, state or central bank intervention in a market or terrorist activity and conflict, could affect the price or availability of funding for entities within any of these markets.

Since the onset of the global economic crisis in 2008, certain emerging market economies have been, and may continue to be, adversely affected by market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems in countries with emerging or developing economies, or the perceived increase in risks associated with investing in such economies could dampen foreign investment in and adversely affect the economies of these countries.

Currently, besides Singapore, the Group has an overseas business presence in Malaysia and the PRC. The Group may also expand into other countries in which it presently does not have a business presence. The Group's business and future growth in these countries are dependent on the economic,

political, legal, regulatory, social and other conditions in these countries. The Group has no control over and can provide no assurance of such conditions and developments and any such changes that are detrimental to its business could adversely affect its business, financial condition, results of operations, prospects and future growth in these countries.

RISKS RELATING TO THE GROUP'S OPERATIONS IN MALAYSIA

The Group is affected by foreign exchange controls in Malaysia

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current notices issued pursuant to powers conferred by subsections 214(2), (5), (6) and section 261 of the Financial Services Act 2013 and subsections 225(2), (5), (6) and section 272 of the Islamic Financial Services Act 2013 and Foreign Exchange Administration Policies issued by Bank Negara Malaysia, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to the applicable reporting requirements, and any withholding tax, provided that the repatriation must be made in foreign currency other than the currency of Israel. In the event Bank Negara Malaysia introduces any restrictions in the future, the Group may be affected in its ability to distribute dividends from its Malaysian subsidiary and the Company.

Changes in regulations in Malaysia governing foreign workers may have an adverse impact on its performance

Due to the nature of its business, the Group requires substantial manual labour, and due to the shortage of labour, it is expected to continue to rely on foreign workers for its operations in Malaysia. Such foreign workers are regulated by the Malaysian government authorities which set a limit to the number of foreign workers which the Group may hire and also impose levies on each and every foreign worker hired by the Group. Hence, any changes in governmental policies to lower the limit of the number of foreign workers permissible to be employed by the Group or an increase in levy may adversely affect its operations and profitability. Additionally, any changes in the policies of foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to the Group's business operations. Any increase in competition for foreign workers may also increase labour costs. In the event that the number of foreign workers that the Group can employ is reduced and/or the Group has to turn to a more costly source of labour, its financial performance may be adversely affected.

The Group's revenue and profitability may be adversely affected if its Malaysian subsidiary loses its existing manufacturing licence issued by the Ministry of International Trade and Industry, or if there are changes to the regulations or requirements in relation to foreign ownership in Malaysian companies

The Group's Malaysian subsidiary, Eindex Malaysia, has been issued a manufacturing licence by the Ministry of International Trade and Industry ("MITI").

However, there is a possibility that any future changes to existing guidelines issued by the Malaysian International Development Authority of MITI, Foreign Investment Committee guidelines or the introduction of new regulations or requirements governing foreign ownership may affect the Group's investment in Eindex Malaysia and consequently, it may be required to review the equity structure of Eindex Malaysia. Currently, Eindex Malaysia is the Group's wholly-owned subsidiary. If the rules or

requirements on foreign ownership are revised, MITI (or the relevant authority) may require the Group to reduce its shareholding in Eindex Malaysia. This may result in the loss of management and operations control and consequently affect the operations and profitability of the Group.

The Group's operations are affected by the changes in existing, and the adoption of new, Malaysian laws and regulations and/or the changes in interpretation of the Malaysian laws and regulations as well as possible inconsistencies between the various Malaysian laws and regulations and/or the corresponding interpretation

The Group's operations in Malaysia are regulated by the laws and regulations of Malaysia, including those relating to the corporate, investment, marketing, labour, environmental, safety and taxation matters. The legal and regulatory regimes in Malaysia may be uncertain and subject to unforeseen changes. At times, the interpretation or application of laws and regulations in Malaysia may be unclear. Government policies, regulations and guidelines issued and imposed by the relevant authorities may change from time to time.

The Group's operations may be adversely affected by the adoption of new laws and regulations and/or changes to, or changes in the interpretation or implementation of, existing laws and regulations. In addition, the adoption of new laws and regulations or any modification to the existing laws and regulations may result in the Group having to incur additional expenses to comply with the new laws. The Group has no control over such conditions and developments and cannot provide any assurance that such conditions and developments will not have a material adverse effect on its business, financial condition, results of operations and prospects.

Examples of new laws introduced include the Goods and Services Tax Act 2014, which came into force on 1 April 2015. There is no assurance that the implementation of the goods and services tax in Malaysia will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Companies Bill is expected to be tabled to the House of Representatives which will replace the current Companies Act 1965 of Malaysia. While the Group has compliance procedures in place to ensure compliance with new legislations and every effort is taken to ensure the requirements of new legislations are met, there is no certainty on the approach which will be taken by the regulators, and the Group may incur additional compliance costs with the introduction of new or amended regulations.

Non-enforceability of non-Malaysian judgments may limit Shareholders' ability to recover damages from the Group

Eindex Malaysia is incorporated in Malaysia and a significant part of the Group's assets is located in Malaysia. As a result, it could be difficult for Shareholders to commence an action against the Group's Malaysian subsidiary as service of process will have to be effected outside of Singapore, or to enforce a judgment obtained in the Singapore courts against our Malaysian subsidiary.

Any monetary judgment obtained in a foreign court will be enforceable in the courts of Malaysia in accordance with the Reciprocal Enforcement of Judgments Act 1958 ("REJA"). Subject to the provisions of REJA, only a monetary judgment obtained in a superior court of the reciprocating countries listed in the First Schedule of REJA (such as United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei) shall, upon registration with the courts of Malaysia within six (6) years after the date of judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment, have the same force and effect as if it had been a judgment originally entered or obtained, as of the date of registration, in the registering court. Nevertheless, the registered judgments may also be set aside by applications made by the

party against whom a registered judgment may be enforced if the registering court is satisfied that the provisions under REJA are satisfied.

In order to pursue a claim in Malaysia against the Group or any of its officers or directors, Shareholders will have to bring a separate action or claim in Malaysia. While a non-Malaysian judgment could be introduced as evidence in a court proceeding in Malaysia, a Malaysian court would be free to examine new issues arising in the case. Thus, to the extent that Shareholders may succeed in bringing legal actions against the Group outside Malaysia, Shareholders' available remedies and any recovery in any Malaysian proceeding may be limited.

Compliance with environmental laws and regulations could result in substantial costs to the Group

A substantial part of the Group's manufacturing operations is located in Malaysia and the Group is subject to the relevant environmental laws and regulations. Failure by the Group to comply with such laws and regulations will result in it being subject to penalties and fines or being required to pay damages. Further, any change in such laws and regulations may require the Group to incur additional capital expenditure or compliance costs and may have a material adverse effect on its business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GROUP'S OPERATIONS IN THE PRC

Interpretation and application of PRC laws and regulations involve uncertainty

The legal system in the PRC is based on the Constitution of the PRC and is made up of written laws, regulations, circulars and directives. As the PRC economy is undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances.

Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are still being developed and refined and are, therefore, subject to policy changes. There is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof or the delays in obtaining approvals from the relevant authorities will not have an adverse impact on the business, financial condition, results of operations and prospects of the Group's PRC subsidiaries.

Further, precedents on the interpretation, implementation and enforcement of the PRC laws and regulations are limited, and decisions on precedent cases are not binding on lower courts. Accordingly, the outcome of dispute resolutions may not be consistent or predictable. In addition, it may be difficult to obtain swift and equitable enforcement of laws in the PRC, or to obtain enforcement of judgment by a court of another jurisdiction.

PRC foreign exchange control may affect the Group's ability to receive dividends and other payments from its PRC subsidiaries

The Group's PRC subsidiaries are subject to the rules and regulations imposed by the PRC government on currency conversion and remittance. In the PRC, the State Administration of Foreign Exchange ("**SAFE**") regulates the conversion of RMB into foreign currencies and *vice versa* and, in certain cases, the remittance of currency out of the PRC.

Currently, Foreign Investment Enterprises (the "**FIEs**") are required to apply to SAFE for a Foreign Exchange Registration Certificate (the "**FIE Certificate**"). Such registration certificates are renewable annually and allow FIEs to open foreign currency accounts for the payment of:

- (a) recurring items, including the distribution of dividends and profits after tax to foreign investors of FIEs upon presentation of board resolutions which authorise the distribution of profits or dividends ("**Current Account**"); and
- (b) capital items, such as repatriation of capital, repayment of loans and for securities investment ("**Capital Account**").

Under existing PRC foreign exchange regulations, currency transactions within the scope of the "Current Account", including profit distributions, interest payments and expenditures from trade-related transactions, can be effected without requiring the approval of SAFE, while the conversion of currency in the "Capital Account" still requires the approval of SAFE. At present, the Group's PRC subsidiaries hold the relevant FIE Certificate. With the FIE Certificate, the Group's PRC subsidiaries are able to convert RMB revenue into foreign currency and repatriate dividends and profits to the Group.

Furthermore, applicable PRC laws, rules and regulations permit payment of dividends by the Group's PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards. The Group's PRC subsidiaries are required to set aside a certain percentage of their after-tax profit based on PRC accounting standards each year to their reserve funds in accordance with the requirements of the relevant laws and provisions in their articles of association. As a result, the Group's PRC subsidiaries are restricted in their ability to transfer a portion of their profits to their shareholders in the form of dividends. Any restriction on the ability of the Group's PRC subsidiaries to pay dividends to the Group could materially and adversely limit the Group's ability to grow, or make investments or acquisitions that could be beneficial to its businesses.

Distributions by the Group's PRC subsidiaries to the Group in forms other than dividends may be subject to government approval and taxes. Any transfer of funds from the Group to its PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, is subject to registration with, or approval of, the relevant PRC government authorities. These limitations on the flow of funds within the Group could restrict its ability to respond to changing market conditions or appropriately allocate funds to the Group's PRC subsidiaries in a timely manner.

In the event the PRC government imposes further restrictions or requirements on the conversion of RMB for repatriation as dividends overseas, the Group's ability to repatriate dividends or distributions from its PRC subsidiaries may be affected.

RISKS RELATING TO THE SHARES

Fluctuations in market price and trading volume of the Shares

The market price for the Shares may be highly volatile and can fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond the Company's control, namely (i) variations in the Group's operating results, (ii) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance, (iii) success or failure of the Company's management team in implementing business and growth strategies, (iv) gain or loss of an important business relationship, (v) additions or departures of key personnel, (vi) fluctuations in stock market prices and volume, (vii) involvement in litigation and (viii) general economic, stock and credit market conditions.

In the event that a Shareholder is unable or unwilling to participate in certain additional fund-raising exercises, he may suffer potential dilution in his investment.

The Group's working capital requirements, financing plans and capital expenditure needs may vary from those presently expected. If the Group does not meet its goals with respect to revenues, or if costs are higher than anticipated or if there are changes to its current financing plans, substantial additional funds may be required. To the extent that funds generated from operations have been exhausted, the Group may have to raise additional funds to meet new financial requirements. These additional funds may be raised by way of a placement or by further rights offering (which would be subject to Shareholders' approval if necessary) or through the issue of new Shares. In all such events, if any Shareholder is unable or unwilling to participate in such fund raising, such Shareholder may suffer a dilution in his investment.

The demand for the Shares and accompanying price fluctuations as well as trading volume may vary from that of the Warrants.

Liquidity of the Shares

Active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on Catalist may not change or decline after the Warrants Issue.

Negative publicity may adversely affect the price of the Shares

Any negative publicity or announcement, whether justifiable or not, relating to the Group or any of its associates or existing or future joint venture partners may adversely affect the price of the Shares. Such negative publicity or announcement may include involvement in insolvency proceedings, litigation suits and failed attempts in joint ventures or takeovers.

RISKS RELATING TO OWNERSHIP OF THE WARRANTS**Warrants may expire worthless**

The Warrants issued pursuant to the Bonus Warrants Issue have an Exercise Period of three (3) years. In the event that the Warrants are not exercised by the end of the Exercise Period, the Warrants will expire worthless.

Potential dilution in the event the Warrants are not exercised

In the event that an Entitled Shareholder does not exercise any Warrants taken up under the Bonus Warrants Issue while the other Warrants issued under the Bonus Warrants Issue are exercised, such Entitled Shareholder's interest in the Company may be diluted or varied.

There may be further issues of Shares

Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company may issue Shares for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but the Warrant Holders shall not have any participating rights in such further issues unless otherwise resolved by the Company in a general meeting.

The listing of Warrants is subject to a sufficient spread of holdings

APPENDIX A – RISK FACTORS

In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants due to an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants, the Warrant Holders will not be able to trade their Warrants on the SGX-ST.

Fluctuations in price and trading volume of the Warrants

There is no assurance that there will be an active or liquid market for the Warrants because prior to this offering, there has been no public market for the Company's Warrants. The Company is unable to predict the extent to which a trading market will develop, if at all, or how liquid that market may become.

The market price of the Shares and the Warrants (upon listing) may be volatile and could be subject to fluctuations in response to the variations in the Company's operating results and other developments. Further, the demand for the Warrants and its accompanying price fluctuations as well as trading volume may vary from that of the Shares.

APPENDIX B – TERMS AND CONDITIONS OF THE WARRANTS

This issuance of up to 71,800,000 warrants (**Warrants**) carrying the right to subscribe for up to 71,800,000 new ordinary shares (**New Shares**) in the capital of **EINDEC CORPORATION LIMITED (Company)** at an exercise price of S\$0.12 (**Exercise Price**) for each Share, on the basis of two (2) Warrants for every three (3) existing ordinary shares held by the shareholders of the Company as at the Books Closure Date, fractional entitlement of a Warrant to be disregarded.

The statements in these terms and conditions of the Warrants (**Warrant Conditions**) include summaries of, and are subject to, the detailed provisions of the Deed Poll. Copies of the Deed Poll are available for inspection at the specified office of the warrant agent referred to in Warrant Condition 4(f) (**Warrant Agent**) and the holders of the Warrants (**Warrant Holders**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed Poll.

1. DEFINITIONS

Terms defined in the Deed Poll but not specifically defined herein shall, unless the context otherwise requires, have the same meanings when used in these Warrant Conditions.

2. FORM AND TITLE

The Warrants are issued in registered form. Title to the Warrants will be transferable in accordance with Warrant Condition 8. The Warrant Agent will maintain the Warrant Register (as defined below) on behalf of the Company and except as required by law:

- (a) the registered holder of Warrants (other than CDP); and
- (b) (where the registered holder of Warrants is CDP) each Depositor for the time being appearing in the Depository Register maintained by CDP as having Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof (whether or not the Company shall be in default in respect of the Warrants or any of its covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any irregularity or error in the records of CDP or any express notice to the Company or Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

If two (2) or more persons are entered in the Register or (as the case may be) the records maintained by CDP, as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (a) The Company shall not be bound to register more than two (2) persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or trustees of a deceased Warrant Holder.
- (b) Joint holders of any Warrant whose names are entered in the Register or (as the case may be) the relevant records maintained by CDP shall be treated as one (1) Warrant Holder.
- (c) The Company shall not be bound to issue more than one (1) Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register shall be sufficient delivery to all.
- (d) The joint holders of any Warrant whose names are entered in the Register or (as the case may be) the relevant records maintained by CDP shall be liable severally as well as jointly in

respect of all payments which ought to be made in respect of such Warrant.

3. EXERCISE RIGHTS

- (a) Each Warrant Holder shall have the right, by way of exercise of each Warrant, at any time during normal business hours on any Business Day during the Exercise Period in the manner set out in Warrant Condition 4 and otherwise on the terms and subject to these Warrant Conditions, to subscribe for one (1) Share at the Exercise Price, subject to adjustments in accordance with Warrant Condition 5, on the Exercise Date applicable to such Warrant. No fraction of a Share shall be allotted.
- (b) At the expiry of the Exercise Period, any Warrants which have not been exercised in accordance with Warrant Condition 4 will lapse and cease to be valid for any purpose.

The Company shall, not later than one (1) month before the expiry of the Exercise Period:

- (i) give notice to the Warrant Holders in accordance with Condition 11 of the expiry of the Exercise Period and announce the same on the SGX-ST; and
- (ii) take reasonable steps to despatch to the Warrant Holders notices in writing to their addresses recorded in the Register or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Without prejudice to the generality of the foregoing, Warrant Holders who acquire Warrants after notice of the expiry of the Exercise Period has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with Condition 11. For the avoidance of doubt, neither the Company nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

- (c) Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Warrant Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiry Date shall become void.

4. PROCEDURE FOR EXERCISE OF WARRANTS

- (a) Lodgement Conditions

In order to exercise one (1) or more Warrants, a Warrant Holder must, **before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiry Date during the Exercise Period**, fulfil the following conditions:

- (i) lodgement of the relevant Warrant Certificate registered in the name of the exercising Warrant Holder or CDP (as the case may be) for exercise at the specified office for the time being of the Warrant Agent together with the Exercise Notice (copies of which may be obtained from the Warrant Agent or the Company) in respect of the Warrants represented thereby, duly completed and signed by or on behalf of the exercising Warrant Holder and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided always that the Warrant Agent may dispense with or defer the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of CDP;

- (ii) the furnishing of such evidence (if any) as the Warrant Agent may require to determine or verify the due execution of the Exercise Notice by or on behalf of the exercising Warrant Holder (including every joint Warrant Holder, if any) or otherwise to ensure the due exercise of the Warrants and such other evidence as the Company may require to verify due compliance with and for the purposes of administering and implementing the provisions set out in these Warrant Conditions;
- (iii) the payment or satisfaction of the Exercise Price in accordance with the provisions of Warrant Condition 4(b) below;
- (iv) the payment of deposit or other fees or expenses for the time being chargeable by, and payable to, CDP (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrant(s) as the Warrant Agent may require; and
- (v) if applicable, the payment of the expenses for, and the submission of any necessary documents required in order to effect, the registration of the New Shares in the name of the exercising Warrant Holder or CDP (as the case may be) and the delivery of certificates for such New Shares and any property or other securities to be delivered upon exercise of the relevant Warrants to the place specified by the exercising Warrant Holder in the Exercise Notice or to the Depositor (as the case may be).

Any exercise by a Warrant Holder in respect of Warrants registered in the name of CDP shall be further conditional on that number of Warrants so exercised being available in the "**Free Balance**" of the Securities Account(s) of the exercising Warrant Holder with CDP and on the exercising Warrant Holder electing in the Exercise Notice to have the delivery of the Shares arising from the exercise of the relevant Warrants to be effected by crediting such Shares to the Securities Account(s) of the exercising Warrant Holder as specified in the Exercise Notice, failing which the Exercise Notice shall be void and all rights of the exercising Warrant Holder and of any other person thereunder shall cease.

Any Exercise Notice which does not comply with the conditions above shall be void for all purposes. Warrant Holders whose Warrants are registered in the name of CDP irrevocably authorise the Company and the Warrant Agent to obtain from CDP and to rely upon such information and documents as the Company or the Warrant Agent deems necessary to satisfy itself that all the abovementioned conditions have been fulfilled and such other information as the Company or the Warrant Agent may require in accordance with these Warrant Conditions and the Deed Poll and to take such steps as may be required by CDP (including the steps set out in CDP's procedures for the exercise of warrants as set out in its website <http://www.cdp.com.sg> or such other website for the time being, as amended from time to time) in connection with the operation of the Securities Account of any Warrant Holder provided that the Company and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warrant Holder as a result of or in connection with reliance by the Company, the Warrant Agent or any other persons upon the records of and information supplied by CDP.

Once all the abovementioned conditions (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), Exercise Notice and any monies tendered in or towards payment of the Exercise Price in accordance with Warrant Condition 4(b) below may not be withdrawn without the consent in writing of the Company.

- (b) Payment of Exercise Price

Payment of the Exercise Price shall be made to the specified office of the Warrant Agent by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the full amount of the Exercise Price payable in respect of the Warrants exercised, provided that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirements for the time being applicable.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (i) the name of the exercising Warrant Holder, (ii) the number of Warrants exercised and (iii) the certificate numbers of the relevant Warrant Certificates or, if the relevant Warrant Certificates are registered in the name of CDP, the Securities Account(s) of the exercising Warrant Holder which is to be debited with the Warrants being exercised. In each case, compliance must also be made with any exchange control or other statutory requirements for the time being applicable.

If the payment of the Exercise Price fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability to itself or the Company, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid, and neither the Warrant Agent nor the Company shall be liable to the Warrant Holder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warrant Holder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Agent is less than the full amount of such Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Specified Account (subject to Warrant Condition 4(d) below) unless and until a further payment is made in accordance with the requirements set out above in this Warrant Condition 4(b) in an amount sufficient to cover the deficiency. The Company shall not be held responsible for any loss arising from the retention of any such payment by the Warrant Agent.

Payment of the Exercise Price received by the Warrant Agent will be delivered to the Company in accordance with the Warrant Agency Agreement in payment for the New Shares to be delivered in consequence of the exercise of such Warrants.

(c) Exercise Date

A Warrant shall (provided the provisions of Condition 4 have been satisfied) be treated as exercised on the Exercise Date relating to that Warrant.

The relevant Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of CDP, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from CDP of instructions as to the cancellation of the Warrant Certificates and the said Warrant Certificates.

(d) Specified Account

Payment of the Exercise Price received by the Warrant Agent shall be forwarded to the Company on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the New Shares to be delivered in consequence of the exercise of such Warrants. The relevant Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of CDP, such Warrant Certificates shall be

cancelled as soon as possible after receipt by the Warrant Agent from CDP of such Warrant Certificates, accompanied by instructions from CDP as to the cancellation of such Warrant Certificates, from CDP.

Non-fulfilment of lodgement conditions

If such payment is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount of the Exercise Price, or the conditions set out in Warrant Condition 4(a) have not then all been fulfilled in relation to the exercise of such Warrants, such payment will remain in the Specified Account pending recognition of such payment or full payment or, fulfilment of the lodgement conditions, as the case may be, but on whichever is the earlier of (i) the fourteenth (14th) day after receipt of such Exercise Notice by the Warrant Agent and (ii) the Expiry Date, such payment will (if the Exercise Date in respect of such Warrant(s) has not by then occurred) be returned, without interest, to the person who remitted such payment.

The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice together with such payment to the exercising Warrant Holder at the risk and expense of such Warrant Holder. The Company and/or the Warrant Agent will be entitled to deduct or otherwise recover from the exercising Warrant Holder any applicable handling charges and out-of-pocket expenses of the Warrant Agent. So long as any particular payment remains credited to the Specified Account and the relevant Exercise Date has not occurred, it (but excluding any interest accrued thereon) will continue to belong to the exercising Warrant Holder but it may only be withdrawn within the abovementioned 14-day period with the consent in writing of the Company.

(e) Allotment of Shares and issue of Balancing Warrant Certificates

A Warrant Holder exercising Warrants which are registered in the name of CDP must elect in the Exercise Notice to have the delivery of New Shares arising from the exercise of such Warrants to be effected by crediting such New Shares to the Securities Account of such Warrant Holder as specified in the Exercise Notice. A Warrant Holder exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the New Shares arising from the exercise of such Warrants or to have the delivery of such New Shares effected by crediting such Shares to his Securities Account as specified in the Exercise Notice, with CDP (in which case, such Warrant Holder shall also duly complete and deliver to the Warrant Agent such forms as may be required by CDP), failing which such exercising Warrant Holder shall be deemed to have elected to receive physical share certificates in respect of such Shares at his address specified in the Warrant Register.

The Company shall allot and issue the New Shares arising from the exercise of the relevant Warrants by a Warrant Holder in accordance with the instructions of such Warrant Holder set out in the Exercise Notice and:

- (i) where such Warrant Holder has (or is deemed to have) elected in the Exercise Notice to receive physical share certificates in respect of the New Shares arising from the exercise of the relevant Warrants, the Company shall despatch, as soon as practicable but in any event not later than five (5) Market Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice (or the Warrant Register, as the case may be) and at the risk of such Warrant Holder the

certificates relating to such New Shares registered in the name of such Warrant Holder; and

- (ii) where such Warrant Holder has elected in the Exercise Notice to have the delivery of New Shares arising from the exercise of the relevant Warrants to be effected by the crediting of the Securities Account of such Warrant Holder as specified in the Exercise Notice, the Company shall as soon as practicable but not later than five (5) Market Days after the relevant Exercise Date despatch the certificates relating to such New Shares in the name of, and to, CDP for the credit of the Securities Account of such Warrant Holder as specified in the Exercise Notice.

Where such Warrant Holder exercises part only (and not all) of his Warrants registered in the name of CDP, the number of Warrants represented by the Warrant Certificate registered in the name of CDP shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

Where a Warrant Holder exercises part only (but not all) of the subscription rights represented by Warrants registered in his name, the Company shall dispatch a new Warrant Certificate in the name of the exercising Warrant Holder in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (of failing which, to his address specified in the Warrant Register) and at the risk of that Warrant Holder at the same time as it delivers in accordance with the relevant Exercise Notice the certificate(s) relating to the New Shares arising upon exercise of such Warrants.

New Shares allotted and issued upon exercise of the Warrants shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the record date for which is before the date of issue of the New Shares. For the purpose of this Warrant Condition 4(e), **record date** means, in relation to any dividends, rights, allotments or other distributions, the date on which as at the close of business (or such other time in accordance with market practice as may have been notified in writing by the Company), Shareholders must be registered with the Company or in the case of Shareholders whose Shares are registered in the name of CDP, with CDP, in order to participate in such dividends, rights, allotments or other distributions.

(f) Warrant Agent and Share Registrar

The names of the initial Warrant Agent and the Share Registrar and their respective specified offices are set out below. The Company reserves the right at any time to vary or terminate the appointment of the Warrant Agent or the Share Registrar and to appoint an additional or another Warrant Agent or another Share Registrar, provided that it will at all times maintain a Warrant Agent approved in writing by CDP having a specified office in Singapore, so long as the Warrants are outstanding. Notice of any such termination or appointment of the Warrant Agent will be given to the Warrant Holders in accordance with Warrant Condition 11.

Warrant Agent and Share Registrar:

RHT Corporate Advisory Pte. Ltd.

6 Battery Road, #10-01, Singapore 049909

(g) Warrant Register

- (i) The Warrant Agent will maintain a register containing particulars of the Warrant Holders (other than Warrant Holders who are Depositors) and such other information relating to the Warrants as the Company may require (**Warrant Register**). The Warrant Register (and, with the approval of CDP, the Depository Register) may be closed during such periods when the Register of Transfers of the Company is deemed to be closed and during such periods as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants held by any Warrant Holder or during such other periods as the Company may determine. Notice of the closure of the Warrant Register and (if applicable) the Depository Register will be given to the Warrant Holders in accordance with Warrant Condition 11.
- (ii) (Except as required by law or as ordered by a court of competent jurisdiction, the Company and the Warrant Agent shall be entitled to rely on the Warrant Register (where the registered holder of a Warrant is a person other than CDP) or the Depository Register (where CDP is the registered holder of a Warrant) or any statement or certificate issued by CDP to the Company or any Warrant Holder (as made available to the Company and/or the Warrant Agent) to ascertain the identity of the Warrant Holders, the number of Warrants to which any such Warrant Holders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Company shall be in default in respect of the Warrants or any of the terms and conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).
- (iii) Except as required by law:
 - (A) the person in whose name a Warrant is registered (other than CDP); and
 - (B) (where a Warrant is registered in the name of CDP) the Depositor for the time being appearing in the Depository Register maintained by CDP as having such Warrant credited to his Securities Account;

will be deemed and treated as the absolute owner of that Warrant (whether or not the Company shall be in default in respect of the Warrants or any of the covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft or forgery of the relevant Warrant Certificate or any express notice to the Company or Warrant Agent or any other related matter) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

5. ADJUSTMENTS OF EXERCISE PRICE AND NUMBER OF WARRANTS

- (a) The Exercise Price and the number of Warrants held by each Warrant Holder shall from time to time be adjusted by the Directors in consultation with an Approved Financial Institution and certified to be in accordance with the formulae stated in Warrant Condition 5(b) by the Auditors. The Exercise Price and the number of Warrants held by each Warrant Holder shall from time to time be adjusted as provided in these Warrant Conditions and the Deed Poll in all or any of the following cases:

APPENDIX B – TERMS AND CONDITIONS OF THE WARRANTS

- (i) any consolidation, subdivision or conversion of the Shares; or
- (ii) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares); or
- (iii) a Capital Distribution (as defined below) made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (iv) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (v) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Warrant Condition 5(a)(iv), and excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares) by the Company of Shares, if the Total Effective Consideration (as defined below) for each Share is less than ninety per cent. (90%) of the Last Traded Price for each Share (calculated as provided below).

If an offer or invitation for the acquisition of Shares is made to the Shareholders by a person other than the Company, then the Company shall so far as it is able procure that at the same time an offer or invitation is made to the then Warrant Holders provided always that the failure by the Company to procure that an offer or invitation is so made as aforesaid shall not be a breach by the Company of its obligations under these Warrant Conditions and Deed Poll.

- (b) Subject to these Warrant Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrant Holder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two (2) or more of Warrant Conditions 5(a)(i) to 5(a)(v) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Approved Financial Institution and/or Auditors shall determine):

- (i) If, and whenever, consolidation or subdivision or conversion of the Shares occurs, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B}{A} \times W$$

Where:

A = the aggregate number of issued and fully-paid up Shares immediately before such consolidation or subdivision or conversion;

B = the aggregate number of issued and fully paid-up Shares immediately after such consolidation or subdivision or conversion;

APPENDIX B – TERMS AND CONDITIONS OF THE WARRANTS

P = existing Exercise Price; and

W = existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

- (ii) If and whenever the Company shall make any issue of Shares to its Shareholders for which no consideration is payable or for which is (but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares) credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and/or the number of Warrants held by each Warrant Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B2} \times P$$

$$\text{Adjusted number of Warrants} = \frac{A + B2}{A} \times W$$

Where:

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B2 = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders (but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

P = as in P above; and

W = as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Warrant Condition 5, **record date** in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered as such to participate therein.

- (iii) If and whenever:

(A) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

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(B) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

and in respect of each case referred to in Warrant Condition 5(b)(iii)(B) above, the number of Warrants held by each Warrant Holder shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{C}{C - D} \times W$$

Where:

C = the average of the Last Traded Prices (rounded down to the nearest S\$0.001 per Share) on the five (5) consecutive Market Days or if the company so decides, the last dealt price of Shares quoted on the SGX-ST for the market day (on which trading of the Shares on the SGX-ST has been transacted)) immediately preceding the date on which the Capital Distribution, or any offer or invitation referred to in Warrant Condition 5(b)(iii)(B) above, is publicly announced to the SGX-ST or (failing any such announcement) immediately preceding the date of the Capital Distribution or as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Warrant Condition 5(b)(iii)(B) above, the value of the rights attributable to one (1) Share (as defined below); or (ii) in the case of any other transaction falling within Warrant Condition 5(b)(iii) above, the fair market value, as determined by an Approved Financial Institution, of that portion of the Capital Distribution or of the nil-paid rights attributable to one (1) Share;

P = as in P above; and

W = as in W above.

For the purpose of definition (i) of "D" above, the "**value of the rights attributable to one (1) Share**" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as in C above;

E = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares under the terms of such offer or invitation; and

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F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights.

For the purposes of Warrant Conditions 5(a)(iii) and 5(b)(iii)(A), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under Warrant Condition 5(b)(ii)) or other securities (but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares) credited as fully or partly paid-up by way of capitalisation of profits or reserves.

Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Company or any of its subsidiaries on or before that date and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to Warrant Condition 5(b)(iii)(A).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to Warrant Condition 5(b)(iii)(B).

For the purposes of this Warrant Condition 5(b), **closing date** shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

In the event there are no appropriate adjustments to the Exercise Price or the number of Warrants, the Approved Financial Institution and/or Auditors may propose other forms of distribution (either cash or non-cash) to Warrant Holders in lieu of or in conjunction with the adjustments to the Exercise Price or the number of Warrants. Such distributions shall be certified by the Auditors to be appropriate and are subject to the approvals of the SGX-ST and of the Shareholders at a general meeting.

- (iv) If and whenever the Company makes any allotment to its Shareholders as provided in Warrant Condition 5(b)(ii) and also makes any offer or invitation to its Shareholders as provided in Warrant Condition 5(b)(iii)(B) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and the number of Warrants held by each Warrant Holder shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(G \times C) + (H \times E)}{(G + H + B2) \times C} \times P$$

$$\text{Adjusted number of Warrants} = \frac{(G + H + B2) \times C}{(G \times C) + (H \times E)} \times W$$

Where:

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B2 = as in B2 above;

C = as in C above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

P = as in P above; and

W = as in W above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation.

In the event there are no appropriate adjustments to the Exercise Price or the number of Warrants, the Approved Financial Institution and/or Auditors may propose other forms of distribution (either cash or non-cash) to Warrant Holders in lieu of or in conjunction with the adjustments to the Exercise Price or the number of Warrants. Such distributions shall be certified by the Auditors to be appropriate and are subject to the approvals of the SGX-ST and of the Shareholders at a general meeting.

- (v) If and whenever (otherwise than pursuant to a rights issue available to all Shareholders alike and requiring an adjustment under Warrant Condition 5(b)(iii)(B) or 5(b)(iv) but excluding any issue of Shares made where the Shareholders had an option to take cash or other dividend in lieu of the relevant Shares), the Company shall issue any Shares and the Total Effective Consideration for each Share (as defined below) is less than ninety per cent. (90%) of the average Last Traded Price on the SGX-ST (rounded down to the nearest S\$0.001 per Share) on the five (5) consecutive Market Days before the date on which the issue price of such Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times P$$

Where:

K = the number of Shares in issue at the close of business on the SGX-ST on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

L = number of Shares which the Total Effective Consideration (as defined below) would have purchased at such average Last Traded Price for the five (5) Market Days immediately preceding the date on which the issue price of such Shares is determined (exclusive of expenses);

M = the aggregate number of Shares so issued; and

P = as in P above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Company determines the offering price of such Shares.

For the purposes of Warrant Conditions 5(a)(v) and 5(b)(v), the "**Total Effective Consideration**" shall be determined by the Directors with the concurrence of an Approved Financial Institution and/or Auditors and shall be the aggregate consideration receivable by the Company on payment in full for such Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration for each Share**" shall be the Total Effective Consideration divided by the number of Shares issued as aforesaid.

In the event there are no appropriate adjustments to the Exercise Price or the number of Warrants, the Approved Financial Institution and/or Auditors may propose other forms of distribution (either cash or non-cash) to Warrant Holders in lieu of or in conjunction with the adjustments to the Exercise Price or the number of Warrants. Such distributions shall be certified by the Auditors to be appropriate and are subject to the approvals of the SGX-ST and of the Shareholders at a general meeting.

- (c) Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Exercise Price and the number of Warrants held by each Warrant Holder will be required in respect of:
- (i) an issue by the Company of Shares to officers, including Directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option scheme or restricted stock plan approved by the Shareholders in general meeting; or
 - (ii) an issue by the Company of Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
 - (iii) any issue by the Company of Shares pursuant to the exercise of any of the Warrants and any other warrants or the conversion of any convertible securities previously issued by the Company;
 - (iv) any issue by the Company of securities convertible into Shares or rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights; or
 - (v) any purchase by the Company of Shares pursuant to any share purchase scheme approved by Shareholders in general meeting subsequent to the issue of Warrants, whether such Shares purchased pursuant to any such share purchase scheme are deemed cancelled or held in treasury.
- (d) Any adjustment to the Exercise Price will be rounded upwards to the nearest half cent and in no event shall any adjustment (otherwise than upon the consolidation of Shares) involve an increase in the Exercise Price. No adjustments to the Exercise Price shall be made unless it has been certified to be in accordance with Warrant Condition 5(b) by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one (1) cent and any adjustment which would

otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.

- (e) Any adjustment to the number of Warrants held by each Warrant Holder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants held by each Warrant Holder shall be made unless (i) it has been certified to be in accordance with the formulae stated in Warrant Condition 5(b) by the Auditors; and (ii) approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued as a result of such adjustment and such additional Shares as may be issued on the exercise of any of such Warrants. If for any reason an event giving rise to an adjustment (**First Adjustment**) made to the Exercise Price or the number of Warrants held by each Warrant Holder pursuant to these Warrant Conditions is cancelled, revoked or not completed, the Exercise Price or the number of Warrants held by each Warrant Holder shall be readjusted to the amount prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Financial Institution and/or Auditors may consider appropriate.
- (f) Notwithstanding the provisions referred to in this Warrant Condition 5, in any circumstances where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants held by each Warrant Holder provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants held by each Warrant Holder should be made notwithstanding that no such adjustment is required or contemplated under the said provisions, the Company may appoint an Approved Financial Institution and/or Auditors to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Warrant Condition 5 is appropriate or inappropriate, as the case may be, and, if such Approved Financial Institution shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Financial Institution and/or Auditors to be in its opinion appropriate.
- (g) Whenever there is an adjustment as herein provided, the Company shall give notice to Warrant Holders in accordance with Warrant Condition 11 that the Exercise Price and/or the number of Warrants held by each Warrant Holder has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office for the time being, a signed copy of the certificate of the Auditors referred to in Warrant Conditions 5(a) certifying the adjustment to the Exercise Price and/or the number of Warrants and a certificate signed by a Director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request and at the expense of the Warrant Holder, send a copy thereof to any Warrant Holder. Whenever there is an adjustment to the number of Warrants held by each Warrant Holder, the Company will, as soon as practicable but not later than seven (7) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrant Holder, at the risk and expense of that Warrant Holder, at his address appearing in the Warrant Register or, in respect of Warrants registered in the name of CDP, to CDP provided that if additional Warrants are issued to each Warrant Holder as a result of an adjustment which is cancelled, revoked or not completed and the number of Warrants held by each Warrant Holder is

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readjusted pursuant to Warrant Condition 5(e), such additional Warrants shall be deemed to be cancelled with effect from such date and in such manner as an Approved Financial Institution and/or Auditors may consider appropriate.

- (h) If the Directors of the Company, the Approved Financial Institution and the Auditors are unable to agree upon any adjustment required under these provisions, the Directors of the Company shall refer the adjustment to the decision of another Approved Financial Institution acting as expert and not arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- (i) Without prejudice to the generality of Warrant Condition 5(f), if the Company shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into Shares, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Financial Institution and/or Auditors to consider whether any adjustment is appropriate and if such Approved Financial Institution and the Directors and/or Auditors of the Company shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants held by each Warrant Holder shall be adjusted accordingly.
- (j) Any new Warrants which may be issued by the Company under this Warrant Condition 5 shall be part of the series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and the Warrant Conditions, on such terms and conditions as the Directors of the Company may from time to time think fit.
- (k) In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Financial Institution shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on the Company, the Warrant Holders and all other persons having an interest in the Warrants.
- (l) Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants held by each Warrant Holder other than in accordance with the provisions of this Warrant Condition 5, shall be subject to the approval of the SGX-ST and agreed to by the Company, the Approved Financial Institution and/or the Auditors. Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants held by each Warrant Holder pursuant to Condition 5(f) above which shall be prejudicial to the Shareholders must be approved by the Shareholders in general meeting.

Any adjustments made pursuant to this Condition 5 shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on the SGX-ST.

- (m) Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST and no approval or consent of the Warrant Holders shall be required for such buy-back of any classes of shares. There shall be no adjustments to the Exercise Price and number of Warrants by reason of such buy-back of any classes of shares.

6. WINDING-UP OF THE COMPANY

If a resolution is passed for a members' voluntary winding-up of the Company then:

- (a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warrant Holders, or some person designated by them for

such purpose, by Special Resolution (as defined in the Deed Poll), the terms of such scheme of arrangement shall be binding on all the Warrant Holders; and

- (b) in any other case every Warrant Holder shall be entitled upon and subject to the Warrant Conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company by irrevocable surrender of his Warrant Certificate(s) to the Company with the Exercise Notice(s) duly completed, together with payment of the relevant Exercise Price and having duly complied with all other conditions set out in Warrant Conditions 4(a) and 4(b), to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the Exercise Notice(s) and had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Warrant Holders in accordance with Warrant Condition 11 of the passing of any such resolution within seven (7) days after the passing thereof.

Subject to the foregoing, if the Company is wound-up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

7. FURTHER ISSUES

Subject to the Warrant Conditions, the Company shall be at liberty to issue Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Company sees fit but the Warrant Holders shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire Shares.

8. TRANSFER OF WARRANTS

- (a) Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling the Warrant Holders to subscribe for whole numbers of Shares and so that no person shall be recognised by the Company as having title to Warrants entitling the holder thereof to subscribe for a fractional part of a Share or otherwise than as the sole or joint holder of the entirety of such Share.
- (b) Subject to applicable law and other provisions of the Warrant Conditions, a Warrant which is not registered in the name of CDP may only be transferred in accordance with the following provision of this Warrant Condition 8(b):
- (i) a Warrant Holder whose Warrants are registered in the name of a person other than CDP (**Transferor**) shall lodge, during normal business hours on any Business Day at the specified office of the Warrant Agent, the Transferor's Warrant Certificate(s) together with a transfer form as prescribed by the Company from time to time (**Transfer Form**) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty Provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP;
 - (ii) the Transfer Form shall be accompanied by the registration fee (such fee being for the time being a sum of S\$2.00 (excluding any goods and services tax) for each Warrant Certificate to be transferred) which shall be payable by cash or cheque

together with any stamp duty and any goods and services tax (if any) specified by the Warrant Agent to the Transferor, such evidence as the Warrant Agent may require to determine and verify the due execution of the Transfer Form and payment of the expenses of, and submit, such documents as the Warrant Agent may require to effect delivery of the new Warrant Certificate(s) to be issued in the name of the transferee;

- (iii) if the Transfer Form has not been fully or correctly completed by the Transferor or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Transferor accompanied by written notice of the omission(s) or error(s) and requesting the Transferor to complete and/or amend the Transfer Form and/or to make the requisite payment; and
 - (iv) if the Transfer Form has been fully and correctly completed, the Warrant Agent shall as agent for and on behalf of the Company (a) register the person named in the Transfer Form as transferee in the Warrant Register as registered holder of the Warrant in place of the Transferor, (b) cancel the Warrant Certificate(s) in the name of the Transferor, and (c) issue new Warrant Certificate(s) in respect of the Warrants registered in the name of the transferee.
- (c) With respect to Warrants registered in the name of CDP, any transfer of such Warrants shall be effected subject to and in accordance with applicable law and the rules of CDP as amended from time to time and where the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry.
- (d) The executors and administrators of a deceased Warrant Holder whose Warrants are registered otherwise than in the name of CDP (not being one (1) of several joint holders) or, if the registered holders of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one (1) or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses referred to in Warrant Conditions 8(b)(ii) and 8(b)(iii). Warrant Conditions 8(b) and 8(c) shall apply *mutatis mutandis* to any transfer of the Warrants by such persons.
- (e) A Transferor or Depositor, as the case may be, shall be deemed to remain a Warrant Holder of the Warrant until the name of the transferee is entered in the Warrant Register by the Warrant Agent or in the Depository Register by CDP, as the case may be.

9. REPLACEMENT OF WARRANT CERTIFICATE

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may, subject to applicable law and at the discretion of the Company, be replaced upon the request by the Warrant Holder at the specified office for the time being of the Warrant Agent on payment of such costs as may be incurred in connection therewith, and on such terms as to evidence, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Warrants is subsequently exercised, there will be paid to the Company on demand the market value of the Warrants at the time of the replacement thereof), advertisement, undertaking and otherwise as the Company and/or the Warrant Agent may reasonably require.

Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate will be issued in the name of the registered holder of the Warrant Certificate being replaced.

10. MEETINGS OF WARRANT HOLDERS AND MODIFICATION

- (a) The Deed Poll contains provisions for convening meetings of the Warrant Holders to consider any matter affecting their interests, including the sanctioning by Special Resolution (as defined in the Deed Poll) of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Company or by Warrant Holders holding not less than twenty per cent. (20%) of the Warrants for the time being remaining unexercised (as defined in the Deed Poll). The quorum at any such meeting for passing a Special Resolution shall be two (2) or more persons present being Warrant Holders or proxies duly appointed by Warrant Holders holding or representing over fifty per cent. (50%) of the Warrants for the time being unexercised.

At any adjourned meeting two (2) or more persons present being or representing Warrant Holders whatever the number of Warrants so held or represented shall form a quorum, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including cancelling the subscription rights constituted by the Warrants or changing the Exercise Period), the necessary quorum for passing a Special Resolution shall be two (2) or more persons holding or representing not less than seventy-five per cent. (75%), or at any adjournment of such meeting over fifty per cent. (50%), of the Warrants for the time being remaining unexercised. A Special Resolution duly passed at any meeting of Warrant Holders shall be binding on all Warrant Holders, whether or not they were present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrant Holders.

A resolution in writing signed by all the Warrant Holders shall be deemed to be a resolution duly passed by the Warrant Holders at a meeting of the Warrant Holders duly convened.

- (b) The Company may, without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Company,
- (i) is not materially prejudicial to the interests of the Warrant Holders;
 - (ii) is of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law; or
 - (iii) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Shares arising from the exercise thereof or meetings of the Warrant Holders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on the Warrant Holders and shall be notified to them in accordance with Warrant Condition 11 as soon as practicable thereafter.

Any material alteration in the terms of the Warrants to the advantage of the Warrant Holders is subject to the approval of the Shareholders except where the alterations are made pursuant to these Warrant Conditions.

Save for modifications made to the Warrants, the Warrant Agency Agreement and the Deed Poll in accordance with the terms of the Deed Poll, the Company shall not:

- (i) extend the Exercise Period of an existing Warrant;
- (ii) issue a new Warrant to replace an existing Warrant;
- (iii) change the Exercise Price of an existing Warrant; or
- (iv) change the exercise ratio of an existing Warrant.

11. NOTICES

Each Warrant Holder is required to nominate an address in Singapore for service of notices and documents by giving a notice in writing to the Company and the Warrant Agent, failing which such Warrant Holder shall not be entitled to receive any notices or documents. Notices to Warrant Holders may be sent by ordinary post to their respective addresses so nominated (and in the case of joint holdings, to the Warrant Holder whose name appears first in the Warrant Register, or where applicable, the relevant record of CDP in respect of joint holdings) or be given by advertisement in a leading daily English language newspaper in circulation in Singapore. Such notices shall be deemed to have been given in the case of posting, on the date of posting and in the case of advertisement, on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made. If such publication is not practicable, notices will be valid if given in such other manner as the Company, with the approval of the Warrant Agent, shall determine.

All notices required to be given pursuant to these Warrant Conditions shall also be announced by the Company on SGXNET on the same day as such notice is first published in any leading English language newspaper in circulation in Singapore.

The Company shall, not later than one (1) month before the Expiry Date, give notice to the Warrant Holders in accordance with this Warrant Condition 11, of the Expiry Date. The Company shall also, not later than one (1) month before the Expiry Date, announce the Expiry Date and take reasonable steps to notify the Warrant Holders in writing of the Expiry Date and such notice shall be delivered by post to the addresses of the Warrant Holders as recorded in the Warrant Register or, in the case of Warrant Holders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.

12. WARRANT AGENT NOT ACTING FOR THE WARRANT HOLDERS

In acting under the Warrant Agency Agreement, the Warrant Agent is, subject to the terms therein, acting as agent for the Company for certain specified purposes and does not assume any obligation or duty to or any relationship of agency or trust for the Warrant Holders.

13. GOVERNING LAW

The Warrants and these Warrant Conditions are governed by, and shall be construed in accordance with, the laws of Singapore. The Company submits and each Warrant Holder is deemed to irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of Singapore for all purposes in

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relation to the Warrants and these Warrant Conditions but the foregoing shall not prevent or restrict any of them from enforcing any judgment obtained from a Singapore court in any other jurisdiction.

NOTES:

- (1) *The attention of Warrant Holders is drawn to The Singapore Code on Take-overs and Mergers, as amended from time to time. In general terms, these provisions regulate the acquisition of effective control of public companies. Warrant Holders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warrant Holder should note that he may be under an obligation to extend a take-over offer of the Company if:*
 - (a) *he intends to acquire, by exercise of the Warrants or otherwise, whether at one time or different times, Shares which (together with Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30%), or more of the voting rights of the Company; or*
 - (b) *he, together with persons acting in concert with him, holds not less than thirty per cent. (30%), but not more than fifty per cent. (50%), of the voting rights of the Company, and either alone or together with persons acting in concert with him, intends to acquire additional Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1%).*
- (2) *The attention of the Warrant Holders is drawn to Warrant Condition 3(b) of the Warrants relating to the restrictions on the exercise of the Warrants.*
- (3) *A Warrant Holder who, after the exercise of his Warrants, holds not less than five per cent. (5%) of the aggregate of the amount of the issued share capital of the Company, is under an obligation to notify the Company of his interest in the manner set out in section 135 of the Securities and Futures Act (Cap. 289) of Singapore.*

Dated this 22nd day of August 2016

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Bonus Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

**Board of Directors of
EINDEC CORPORATION LIMITED**

.....
ZHANG WEI

Non-Executive Chairman

.....
CHIA WEI HO

Executive Director and Chief Executive
Officer

.....
SEE YEN TARN

Independent Director

.....
WONG CHEE MENG, LAWRENCE

Independent Director

.....
ONG SHEN CHIEH (WANG SHENGJIE)

Independent Director