

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED

(Incorporated in Singapore with UEN: 201508913H)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

The board of directors (the “**Board**” or “**Directors**”) of Eindex Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following acquisition that occurred during the financial year ended 31 December 2020 (“**FY2020**”) pursuant to Rule 706A of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”):

Acquisition of shares in Henan Yunzhi Security Technology Co., Ltd (河南云智安防科技有限公司)
(“**Henan Yunzhi**”)

1. Unless otherwise stated, all currency translations of Singapore dollars (“**S\$**”) and Chinese Renminbi (“**RMB**”) used in this announcement are based on an exchange rate of S\$1.00 : RMB4.90.
2. On 30 September 2020, the Company’s wholly-owned subsidiary, Eindex (Shanghai) Co., Ltd (“**Eindex Shanghai**”) entered into a share subscription agreement (the “**Agreement**”) with three unrelated parties, namely Chen Xinshi, Zhu Yanfei, and Chen Yi (each a “**Vendor**” and collectively, the “**Vendors**”) pursuant to which Eindex Shanghai agreed to subscribe for 35% of the registered share capital of Henan Yunzhi (the “**Acquisition**”). Pursuant to the Agreement, Eindex Shanghai contributed RMB175,000 (equivalent to approximately S\$35,714) (“**Consideration**”) as the paid-up capital of the 35% share capital of Henan Yunzhi, and thus became the single largest shareholder of Henan Yunzhi. Following the Acquisition, Eindex Shanghai has de-facto control of Henan Yunzhi as it holds the substantive rights to direct the relevant activities of Henan Yunzhi. As a result, Eindex Shanghai accounted Henan Yunzhi as a 35%-owned subsidiary.
3. The Consideration, fully paid in cash, was arrived at on a willing-buyer and willing-seller basis after arm’s length negotiation, and based on the unaudited negative net asset value of Henan Yunzhi as at 30 June 2020 of RMB363,267 (equivalent to approximately S\$74,136).
4. As at 30 September 2020, Henan Yunzhi reported negative net asset value of RMB500,677 (equivalent to approximately S\$102,179). It was mutually agreed between Eindex Shanghai and the Vendors that all losses prior to the Acquisition shall be borne by the Vendors. Accordingly, Eindex Shanghai recorded pre-acquisition losses of S\$102,179 as non-controlling interest upon completion of the Acquisition.
5. As all of the relative figures computed on the bases set out under Rule 1006 of the Catalyst Rules (where applicable) are less than 5%, the Acquisition constitutes a non-discloseable transaction within the meaning of Chapter 10 of the Catalyst Rules.

6. None of the Vendors nor directors of Henan Yunzhi is related to the Directors or controlling shareholders of the Company and their respective associates. Each of the Vendors is an unrelated third party of the Group.
7. None of the Directors or controlling shareholders of the Company or their respective associates has any interest, whether direct or indirect, in the Acquisition (other than in their capacity as Directors or through their shareholdings in the Company, where applicable).

By Order of the Board

Zhang Wei
Non-Executive Chairman
24 February 2021

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

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

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