



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

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 EINDEC CORPORATION LIMITED 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 BELOW), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors ("**Directors**") of Eindec Corporation Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing a bonus issue ("**Bonus Warrants Issue**") of up to 71,800,000 free warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") within three (3) years from issuance date at an exercise price of S\$0.12 for each New Share ("**Exercise Price**"), to be credited and allotted to the shareholders of the Company ("**Shareholders**") on the basis of two (2) Warrants for every three (3) existing ordinary shares ("**Share**") in the capital of the Company held by the shareholders of the Company (the "**Shareholders**") as at the books closure date to be determined by the Directors ("**Books Closure Date**"), fractional entitlements to be disregarded.

The Warrants and the New Shares will be issued pursuant to the general mandate approved by the Shareholders at the annual general meeting held on 28 April 2016 (the "**Share Issue Mandate**").

2. PRINCIPAL TERMS OF THE BONUS WARRANTS ISSUE

2.1 Terms of the Warrants

The Warrants, to be credited and allotted free to Shareholders, will be in registered form and be constituted in an instrument by way of a deed poll ("**Deed Poll**") that sets out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.

Each Warrant will, subject to the terms and conditions to be set out in the Deed Poll, carry the right to subscribe for one (1) New Share at an exercise price of S\$0.12 for each New Share payable in cash; during the period (the "**Exercise Period**") commencing from and including the date of issue of the Warrants and expiring at 5:00 p.m. on the market day immediately preceding the third (3rd) anniversary of the date of issue of the Warrants. Any Warrant which remains unexercised at the end of the Exercise Period shall thereafter lapse and cease to be valid for all purposes.

The Exercise Price of S\$0.12 for each New Share represents a premium of approximately 33.3% to the last transacted price of S\$0.09 per Share on the Catalist Board ("**Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 16 May 2016 (being the last trading day where there were trades prior to the date of this announcement). The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances in accordance with the Deed Poll.

Application will be made to the SGX-ST for the listing of and quotation for the Warrants and the New Shares on Catalist. The Warrants will be listed and traded on Catalist under the book-entry (scripless) settlement system. The listing of and quotation for the Warrants and the New Shares on Catalist, if approved, is expected to be subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company.

The New Shares arising from the exercise of Warrants will rank *pari passu* in all respects with the then existing issued Shares save for any dividends, rights, allotments or other distributions, the record date for which falls on or after the relevant exercise date of the Warrants, save as may be otherwise provided for in the Deed Poll. For this purpose, "record date" means, 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 in order to participate in such dividends, rights, allotments or other distributions.

An offer information statement ("OIS") will be lodged with SGX-ST acting as agent of the Monetary Authority of Singapore ("MAS") in relation to, and for the purpose of the Bonus Warrants Issue. However, the OIS will not be despatched to the Shareholders. Shareholders may download a copy of the OIS from the SGX-ST's website after the OIS is lodged. An announcement will be made at a later date on the lodgement and the uploading of the OIS on the SGX-ST's website.

RHT Corporate Advisory Pte. Ltd. has been appointed as the Company's warrant agent in respect of the Bonus Warrants Issue.

2.2 Trading of Odd-lots

All fractional entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders (as defined below) and will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Shareholders should note that subject to the requirement of SGX-ST, the warrants are quoted on Catalist in board lot sizes of 100 warrants. Following the Bonus Warrants Issue, Shareholders who hold odd lots of the Warrants (i.e. less than 100 Warrants) and who wish to trade in odd lots on Catalist should note (where applicable) the setting up of the Unit Share Market of the SGX-ST to allow for trading of odd lots.

2.3 Eligibility of Shareholders to Participate in the Bonus Warrants Issue

The Warrants to be issued pursuant to the Bonus Warrants Issue will be credited and allotted to Shareholders whose names appear in the records of the Central Depository (Pte) Limited (the "CDP") or the Register of Members of the Company, as the case may be, as at the Books Closure Date, with registered addresses in Singapore or who have, at least three (3) consecutive market days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**"). The Bonus Warrants Issue will be made on the basis of two (2) Warrants for every three (3) Shares held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Entitled Shareholders will be issued Warrants on the basis of their shareholdings as at the Books Closure Date.

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants will NOT be offered or credited or allotted (as the case may be) to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior thereto, provided to the

Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). If it is practicable, the Warrants which would otherwise be allotted to Foreign Shareholders will at the absolute discretion of the Company, be sold on Catalist and the net proceeds from all 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 or the Register of Members (as the case may be) as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such amount will be retained for the sole benefit of the Company or otherwise dealt with as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP or the Directors or share registrar or the Sponsor (as defined herein) and their respective officers in respect of such sales or the proceeds thereof, of such entitlements to the Warrants.

Where such Warrants are sold on Catalist, they will be sold at any 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 or CDP or the Directors or share registrar or the Sponsor (as defined herein) in respect of such sales.

Any entitlements to the Warrants not taken up for any reason and fractional entitlements to the Warrants which are disregarded and not allotted to Entitled Shareholders will be aggregated and sold on Catalist for the benefit of the Company or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

2.4 Size of the Bonus Warrants Issue

As at the date hereof, the Company has 107,700,000 Shares (excluding treasury Shares) that have been issued and are fully paid-up (the "**Existing Issued Share Capital**").

As at the date hereof, Weiye Holdings Limited ("**Weiye**"), a controlling Shareholder of the Company, holds an aggregate of 71,900,000 Shares. Weiye has undertaken not to directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option to purchase, grant any security over, encumber or otherwise dispose of, any part of its interests in the share capital of the Company immediately after the listing of the Shares on Catalist (adjusted for any bonus issue or subdivision of Shares) for a period of six (6) months commencing from the date of admission of the Company to Catalist, being 15 January 2016, and for a period of six (6) months thereafter, not to, reduce its interests in the Company to below 50.0% of its original shareholdings in the Company. Save as disclosed above, none of the Shares are subject to moratorium.

As at the date hereof, the Company does not have in place any share option scheme.

As at the date hereof, the Company has in force the Eindex Performance Share Plan 2015. No awards have been granted pursuant to the Eindex Performance Share Plan 2015.

Based on the Existing Issued Share Capital, the Bonus Warrants Issue will comprise up to 71,800,000 Warrants representing approximately up to 66.7% of the Existing Issued Share Capital. Assuming that all the Warrants issued are exercised and 71,800,000 New Shares are issued and allotted, the share capital would increase to 179,500,000 Shares, representing approximately 166.7% of the Existed Issued Share Capital. The 71,800,000 New Shares which would be issued represent 40.0% of the enlarged issued share capital of the Company.

3. RATIONALE OF THE BONUS WARRANTS ISSUE AND USE OF PROCEEDS FROM EXERCISE OF WARRANTS

3.1 Rationale

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 estimated net proceeds ("**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.

3.2 Use of Proceeds

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 Net Proceeds from the exercise of the Warrants, after deducting estimated expenses of the Bonus Warrants Issue, will amount to approximately S\$8.57 million. The Company intends to utilise the Net Proceeds for investments, repayment of borrowings and/or general working capital purposes for the Group, as the Directors may deem fit in the interests of the Company. The percentage allocation for each intended use cannot be determined at this moment.

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

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.

4. APPROVAL FOR THE BONUS WARRANTS ISSUE

The Warrants and the New Shares will be issued pursuant to the following general mandate approved by the Shareholders at the annual general meeting held on 28 April 2016:

*"That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:*

- (a) (i) *issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; or*
- (ii) *make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,*

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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

(the "**Share Issue Mandate**")

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent consolidation or subdivision of shares;
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

The Bonus Warrants Issue is subject to, *inter alia*, the following:-

- (a) the listing and quotation notice ("**Notice**") from the SGX-ST for the listing of and quotation for all the Warrants and New Shares on Catalist;
- (b) the lodgement of the OIS, together with all other accompanying documents (if applicable), to be issued by the Company in connection with the Bonus Warrants Issue, with the SGX-ST acting as agent of the MAS; and

- (c) there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants.

An application will be made to the SGX-ST for permission to deal in, and the listing of and quotation for all the Warrants and the New Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course. The OIS will be lodged with the SGX-ST acting as agent of the MAS in due course before the Warrants are issued. The date for the Books Closure Date will only be fixed and announced after the SGX-ST has issued the Notice or approved the Bonus Warrants Issue (as the case may be).

5. OFFER INFORMATION STATEMENT

The terms and conditions of the Bonus Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Bonus Warrants Issue will be contained in the OIS to be issued by the Company in due course.

6. RESPONSIBILITY STATEMENT

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the 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 announcement misleading. Where any information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Chia Wei Ho
Executive Director and Chief Executive Officer
Eindec Corporation Limited
20 May 2016

*This announcement 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 Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

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