

Unless otherwise defined, all capitalized terms used in this announcement shall have the same meanings as defined in the offer document of the Company dated 6 January 2016, registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore (the “Offer Document”).

Eindec Corporation Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 15 January 2016. The initial public offering (the “IPO”) of the Company was sponsored by UOB Kay Hian Private Limited (the “Sponsor”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the 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.

Background

The Company was incorporated in Singapore on 2 April 2015 under the Companies Act as a private limited company, under the name of “Eindec Corporation Pte. Ltd.”. The Company was converted into a public limited company and renamed as “Eindec Corporation Limited” in connection therewith on 10 December 2015. The Company became the holding company of the Group following the completion of the Restructuring Exercise on 10 December 2015. Please refer to the Offer Document for further details on the Restructuring Exercise.

The Group is a regional clean air environmental and technological solutions group. The Group designs, manufactures and distributes a wide range of clean room equipment and heating, ventilation and air-conditioning (“HVAC”) equipment. The Group has ventured into the consumer air purifier market by leveraging on its technological expertise in clean room equipment. The Group operates two facilities in Malaysia and Singapore, with its facility in Singapore serving as its corporate headquarters and research & development (“R&D”) centre, as well as offices established in Malaysia, Singapore and PRC. Please refer to the Offer Document for further details on the business of the Group.

Part 1 - Information required for announcements of quarterly (Q1, Q2 & Q3), half-year and full year results.

- 1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statements of Comprehensive Income

	<----- Group ----->		
	Financial Year Ended 31 December		
	2016	2015	Change
	S\$'000	S\$'000	%
Revenue	16,684	16,851	(1)
Cost of sales	(10,030)	(10,157)	(1)
Gross profit	6,654	6,694	(1)
Other income	81	552	(85)
Other operating expenses	(6,900)	(5,891)	17
Results from operating activities	(165)	1,355	NM
Finance costs	(124)	(87)	43
(Loss)/Profit before income tax	(289)	1,268	NM
Income tax expense	(552)	(479)	15
(Loss)/Profit for the year (Note 1)	(841)	789	NM
Other comprehensive income			
Foreign currency translation differences from foreign operations	(297)	(755)	NM
Total other comprehensive income for the year, net of income tax	(297)	(755)	NM
Total comprehensive income for the year attributable to owners of the parent	(1,138)	34	NM

NM - Not meaningful

Note 1 – (Loss)/Profit for the year

This is determined after charging/(crediting) the following items:

	<----- Group ----->	
	Financial Year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Gain on disposal of property, plant and equipment	-	(398)
Property, plant and equipment written off	4	11
Interest income	(11)	(4)
Interest expense	124	87
Net foreign exchange loss/(gain)	14	(118)
Depreciation of property, plant and equipment	349	324
Amortisation of intangible assets	202	-
Inventories written off	41	-
Over provision of tax in respect of prior year	-	(1)
Listing expenses	-	1,067

- 1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current assets				
Property, plant and equipment	4,387	4,685	-	-
Intangible assets	667	543	-	-
Investment in a subsidiary	-	-	9,300	9,300
	5,054	5,228	9,300	9,300
Current assets				
Inventories	3,349	2,394	-	-
Trade and other receivables	8,590	6,416	17	1,901
Amount due from ultimate holding company (non-trade)	-	101	-	101
Amount due from a subsidiary (non-trade)	-	-	5,354	661
Cash and cash equivalents	4,924	4,435	50	39
	16,863	13,346	5,421	2,702
Total assets	21,917	18,574	14,721	12,002
Equity and liabilities				
Current liabilities				
Trade and other payables	5,150	5,310	72	159
Amount due to a subsidiary (non-trade)	-	-	-	1,547
Amount due to ultimate holding company (non-trade)	2,080	2,394	2,081	2,394
Income tax payables	620	444	-	-
Bank overdrafts	-	643	-	-
Loans and borrowings	205	249	-	-
	8,055	9,040	2,153	4,100
Net current assets / (liabilities)	8,808	4,306	3,268	(1,398)
Non-current liabilities				
Deferred tax liabilities	175	204	-	-
Loans and borrowings	4	213	-	-
	179	417	-	-
Total liabilities	8,234	9,457	2,153	4,100
Net assets	13,683	9,117	12,568	7,902
Equity attributable to owners of the Company				
Share capital	14,917	9,300	14,917	9,300
Other reserves	(10,759)	(10,549)	-	-
Accumulated Profits/(Losses)	9,525	10,366	(2,349)	(1,398)
Total equity	13,683	9,117	12,568	7,902
Total equity and liabilities	21,917	18,574	14,721	12,002

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Amount repayable after one year

As at 31.12.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
205	-	892	-
4	-	213	-

Details of any collaterals

As at 31 December 2016, the Group's borrowings were secured by the property, plant and equipment ("PPE") of a subsidiary and a deed of debenture provided by a subsidiary for RM10 million.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Cash Flows

	<----- Group ----->	
	Financial Year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(289)	1,268
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment	349	324
Amortisation of intangible assets	202	-
Gain on disposal of property, plant and equipment	-	(398)
Property, plant and equipment written off	4	11
Realisation of reserve on liquidation of a foreign subsidiary	87	-
Listing expenses	-	1,067
Interest expense	124	87
Interest income	(11)	(4)
Operating profit before working capital changes	466	2,355
<u>Changes in working capital</u>		
Inventories	(955)	278
Trade and other receivables	(4,075)	(714)
Trade and other payables	1,766	1,372
Foreign currency translation of foreign operations	(147)	(37)
Cash (used in)/generated from operations	(2,945)	3,254
Income tax paid	(376)	(145)
Net cash (used in)/generated from operating activities	(3,321)	3,109
Cash flows from investing activities		
Purchase of property, plant and equipment ⁽¹⁾	(153)	(514)
Decrease in amount due from ultimate holding company (non-trade)	101	1,095
Decrease in amount due from related corporation (non-trade)	-	247
Interest received	11	4
Proceeds from disposal of property, plant and equipment	-	568
Expenditures on intangible assets	(326)	(347)
Net cash (used in)/from investing activities	(367)	1,053

Consolidated Statements of Cash Flows (cont'd)

	<----- Group ----->	
	Financial Year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Cash flows from financing activities		
Interest paid	(28)	(87)
Repayment of loans and borrowings	(230)	(306)
Repayment of finance lease obligations	(23)	(25)
Decrease in amount due to ultimate holding company (non-trade)	(410)	(1,963)
Payments for listing expenses	(1,926)	(1,042)
Proceeds from issue of shares	7,518	-
Net cash flows from/(used in) financing activities	4,901	(3,423)
Net increase in cash and cash equivalents	1,213	739
Cash and cash equivalents at beginning of year	3,792	3,095
Effect of exchange rate changes fluctuations on cash held	(81)	(42)
Cash and cash equivalents in Statement of Cash Flows	4,924	3,792

For the purposes of the consolidated statements of cash flows, cash and cash equivalents comprised the following amounts as at 31 December:

Cash at bank and on hand	4,924	4,435
Less: bank overdrafts	-	(643)
Total cash and cash equivalents in statements of cash flows	4,924	3,792

Note:

(1) During the financial year ended 31 December 2016, the Group acquired property, plant and equipment with an aggregate cost of S\$153,000 (31 December 2015: S\$589,000), of which S\$nil (31 December 2015: S\$75,000) was acquired under finance leases.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Changes in Equity

	Attributable to owners of the parent					Equity total
	Share Capital	Statutory Reserve	Merger Reserve	Foreign currency translation	Accumulated profits	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
Balance at 1 January 2015	-	-	-	(612)	9,620	9,008
Total comprehensive income for the year						
Profit for the year	-	-	-	-	789	789
Other comprehensive income						
Foreign currency translation differences – foreign operations	-	-	-	(755)	-	(755)
Total comprehensive income for the year	-	-	-	(755)	789	34
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	9,300	-	-	-	-	9,300
Reserves arising from restructuring exercise	-	-	(9,225)	-	-	(9,225)
Transfer to statutory reserve	-	43	-	-	(43)	-
Total transactions with owners	9,300	43	(9,225)	-	(43)	75
Balance at 31 December 2015	9,300	43	(9,225)	(1,367)	10,366	9,117
Balance at 1 January 2016	9,300	43	(9,225)	(1,367)	10,366	9,117
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(841)	(841)
Other comprehensive income						
Foreign currency translation differences – foreign operations	-	-	-	(297)	-	(297)
Total comprehensive income for the year	-	-	-	(297)	(841)	(1,138)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	7,518	-	-	-	-	7,518
Listing expenses	(1,901)	-	-	-	-	(1,901)
Liquidation of a foreign subsidiary	-	-	87	-	-	87
Total transactions with owners	5,617	-	87	-	-	5,704
Balance at 31 December 2016	14,917	43	(9,138)	(1,664)	9,525	13,683

Consolidated Statements of Changes in Equity (cont'd)

	Attributable to owners of the parent					Equity total S\$'000
	Share Capital	Statutory Reserve	Merger Reserve	Foreign currency translation	Accumula- ted profits	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Company						
Balance at 2 April 2015 (date of incorporation)	-*	-	-	-	-	-*
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,398)	(1,398)
Total comprehensive income for the year	-	-	-	-	(1,398)	(1,398)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	9,300	-	-	-	-	9,300
	9,300	-	-	-	-	9,300
Balance at 31 December 2015	9,300	-	-	-	(1,398)	7,902
Balance at 1 January 2016	9,300	-	-	-	(1,398)	7,902
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(951)	(951)
Total comprehensive income for the year	-	-	-	-	(951)	(951)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Issuance of ordinary shares	7,518	-	-	-	-	7,518
Listing expenses	(1,901)	-	-	-	-	(1,901)
	5,617	-	-	-	-	5,617
Balance at 31 December 2016	14,917	-	-	-	(2,349)	12,568

*As at the date of incorporation, the company's issued and paid-up share capital was S\$1.00 comprising 1 Share.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company was listed on Catalist of SGX-ST on 15 January 2016. At IPO, the Company issued 35,800,000 Shares for a total consideration of S\$7,518,000. The total number of Shares after the IPO was 107,700,000 Shares.

There were 71,799,958 warrants outstanding as at 31 December 2016 (31 December 2015: nil), each warrant carries with the right to subscribe for one new share at the exercise price of S\$0.12.

Save for the above, the Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2016 (31 December 2015: nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 December 2016 was 107,700,000 (31 December 2015: 71,900,000). There are no treasury shares held by the Company.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no treasury shares held by the Company.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for the adoption of the new/revised Financial Reporting Standards (FRSs) that became effective for the financial period beginning 1 January 2016, the Group and Company adopted the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the audited financial statements for the financial year ended 31 December 2015.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has been changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all applicable financial reporting standards ("FRS") that become effective for the financial year ended 31 December 2016. The adoption of these standards do not result in substantial changes to the Group's accounting policies and methods of computation, and there is no material impact to the financial statements of the Group for the current financial year reported on.

- 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<----- Group ----->		
Financial Year ended		
31 December		
	2016	2015
(Loss)/Profits for the year (S\$'000)	(841)	789
Weighted average no. of shares ('000) in issue		
- Basic	106,526	36,245
- Diluted	106,526	36,245
Basic and diluted earning per share (in cents)		
- Basic	(0.79)	2.18
- Diluted	(0.79)	2.18

The calculation of the basic and diluted earnings per share for each of the years ended 31 December 2015 and 2016 is based on the profit for the respective years and the weighted average number of shares of the Company in issue during the respective years.

There were no dilutive potential ordinary shares in existence for the year ended 31 December 2015. Save for the warrants issue in FY2016, there are no other dilutive potential ordinary shares for the year ended 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset value (S\$'000)	13,683	9,117	12,568	7,902
No. of Shares ('000)	107,700	71,900	107,700	71,900
Net asset value per Share (in cents)	12.70	12.68	11.67	10.99

The calculation of net asset value per share is based on the number of issued ordinary shares as at the respective balance sheet dates.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue and gross profit

Revenue	<----- Group ----->	
	Financial Year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Clean room equipment	4,017	7,297
HVAC products	6,825	6,818
Air purification equipment	5,380	2,093
Others	462	643
	<u>16,684</u>	<u>16,851</u>

The Group's revenue from air purification equipment increased by S\$3.29 million in FY2016 to S\$5.38 million as compared to S\$2.09 million in FY2015 was primarily due to the success in its new environmental and technological solution products business operation which focuses on air purification equipment in the PRC. The increase in revenue from air purification equipment was offset by the decrease in clean room equipment, HVAC and other products sales by S\$3.45 million as a result of lacklustre global economic growth and the global downturn in offshore oil and gas sector due to the low oil prices which had affected customers' demand for fire and smoke dampers to be used on board of oil rigs.

Gross profit

	<----- Group ----->	
	Financial Year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Clean room equipment	921	2,505
HVAC products	2,518	2,763
Air purification equipment	3,024	1,116
Others	191	310
	<u>6,654</u>	<u>6,694</u>

The Group's gross profit decreased slightly by S\$0.04 million in FY2016 to S\$6.65 million as compared to S\$6.69 million in FY2015 was primarily due to the decrease in gross profit for clean room equipment, HVAC and other products by S\$1.95 million in aggregate as a result of the reduction in corresponding sales revenue, partially offset by sale of air purification equipment with higher profit margin of 56.2%. The Group recorded relatively stable gross margin of 39.9% in FY2016 as compared to 39.7% in FY2015.

Other income

The Group's other income decreased by S\$0.47 million in FY2016 to S\$0.08 million as compared to S\$0.55 million in FY2015 mainly due to the reduction in gain from disposal of plant and equipment by S\$0.40 million. In addition, the Group recorded foreign exchange loss of S\$0.01 million in FY2016 as compared to foreign exchange gain of S\$0.12 million, in FY2015.

Other operating expenses

The Group's other operating expenses increased by S\$1.01 million in FY2016 to S\$6.90 million as compared to S\$5.89 million in FY2015 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 FY2016 subsequent to its listing on Catalist of SGX-ST on 15 January 2016. There was also an increase in salaries from building of 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\$0.04 million in FY2016 to S\$0.12 million as compared to S\$0.09 million in FY2015 mainly due to interests charged by ultimate holding company for the net amount owing of S\$2.08 million as at 31 December 2016. Prior to the listing of our Company, no interest was charged as the Company was a wholly owned subsidiary of our ultimate holding company. Following the listing and as disclosed in page 135 of the Company's offer document dated 6 January 2016, our ultimate holding company has agreed to continue to extend the amount owing to our 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.

Incomes tax expense

The Group's income tax expenses increased by S\$0.07 million in FY2016 to S\$0.55 million as compared to S\$0.48 million in FY2015 is mainly due to increase in income tax expense incurred by our new environmental and technological solution products business operation in Shenzhen by S\$0.25 million. 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 is subject to a higher corporate tax rate of 25%. The increase in income tax expenses is offset mainly by a reduction in income tax expense of the Group's operations in Malaysia by S\$0.14 million.

Net profit

As a result of the foregoing, the Group's net profit decreased by S\$1.63 million from S\$0.79 million in FY2015 to a net loss of S\$0.84 million in FY2016.

Review of Financial Position

Non-current assets

The Group's non-current assets decreased by S\$0.17 million to S\$5.05 million in FY2016 as compared to S\$5.23 million in FY2015. This was mainly due to depreciation of property, plant and equipment, amortisation of intangibles assets and foreign currency translation losses as a result of the weakening of RM currency against SGD currency during FY2016 as the majority of the Group's property, plant and equipment are based in Malaysia. The decrease in property, plant and equipment amounted to S\$0.30 million.

The decrease in non-current assets is offset by an increase in intangibles assets by S\$0.12 million attributed by capitalisation of development costs for new air purification equipment developed by our wholly owned subsidiary based in Shenzhen.

Current assets

The Group's current assets increased by S\$3.52 million to S\$16.86 million in FY2016 as compared to S\$13.35 million in FY2015. The increase was mainly due to increase in trade and other receivables by S\$2.17 million largely contributed by air purification equipment sales made by our wholly owned subsidiary based in Shenzhen. In addition, inventories increased by S\$0.96 million mainly due to setup of environmental and technological solution products business operation in Singapore and increased in cash and cash equivalents by S\$0.49 million.

Current liabilities

The Group's current liabilities decreased by S\$0.98 million to S\$8.06 million in FY2016 as compared to S\$9.04 million in FY2015 mainly due to repayments of amount due to ultimate holding company and bank overdrafts amounting to S\$0.96 million.

Non-current liabilities

The Group's non-current liabilities decreased by S\$0.24 million to S\$0.18 million in FY2016 as compared to S\$0.42 million in FY2015 mainly due to repayment of bank borrowings amounting to S\$0.21 million.

Review of Cash Flow Statement

The Group's total cash and cash equivalents in Consolidated Statements of Cash Flows increased by S\$1.13 million in FY2016 to S\$4.92 million as compared to S\$3.79 million in FY2015.

Net cash used in operating activities amounted to S\$3.32 million, which comprised operating cash flows before changes in working capital of S\$0.47 million, net of working capital cash outflow of S\$3.41 million and income tax paid of S\$0.38 million. The net working capital outflow arose mainly due to increase of S\$4.08 million in trade and other receivables and S\$0.96 million in inventories balances, offset by increase in trade and other payables by S\$1.77 million.

Net cash used in investing activities amounted to S\$0.37 million mainly due to purchase of PPE amounting to S\$0.15 million and development costs incurred for new air purification equipment amounting to S\$0.33 million. The net cash used was offset by decrease in amounts due from ultimate holding company and related corporation by S\$0.10 million.

Net cash from financing activities amounted to S\$4.90 million mainly due to proceeds from issuance of shares of S\$7.52 million offset by payments made for listing expenses of S\$1.93 million in FY2016 and repayments made for amount due to ultimate holding company and bank borrowings amounting to S\$0.64 million.

9. Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has steered a firm course in 2016 amidst the global uncertainties capped by Brexit and the U.S. Presidential election.

The global business outlook for 2017 remains cautious and sentiments are generally weak in the light of the anti-trade policy initiated by the Trump's presidency. The recovery in the advanced economies is slow and uneven while the momentum of growth is slowing down in Asia, even in China. The unpredictable consequences of the UK vote to leave the European Union further dented confidence globally⁽¹⁾.

With the lacklustre global economic growth, the corresponding growth of the global building, electronics, pharmaceutical, biotechnology, chemical and food and beverage industries which require clean room equipment and HVAC equipment may be negatively affected.

However, the integration of the Internet of things (IoT) with HVAC systems is opening new avenues for the market. The commercial building sector is expected to be the earliest adopter of this technology, as this integration would enhance the efficiency and reliability of the Building Conditioning and Monitoring System.

The current global downturn in offshore oil and gas sector due to the low oil prices may continue to affect customers' demand for fire and smoke dampers to be used on board of oil rigs in the next 12 months.

The dire state of air pollution which plagues the major cities in China with increasing urban population, spells enormous growth opportunities for our range of air purification and environmental solutions. The middle class in the PRC has continued to become increasingly affluent and public awareness on air pollution has increased. This has resulted in increased demand for air purifiers from urban household consumers. The prospects of the PRC's Consumer Air Purifier Industry are buoyed by challenges in air pollution control, with an expected compounded annual growth rate of 30.2% from 2014 to 2017⁽²⁾.

A good case in point is the recent regulation which requires the schools in China to install air purification system which signifies another market segment where the Group can penetrate in 2017 and beyond.

Progress of our joint research and development project for outdoor air purifiers with a renown Chinese University is in progress. While we have submitted the conceptual design proposal to local authority to obtain approval for grant of government incentives, the grant is currently pending approval due to administrative progress.

Installation of our new series of residential and commercial air purification equipment in our maiden residential project in Singapore is expected to be completed in the next few months. We will ride on the success and continue to bid for projects across residential and commercial sectors.

Notes:

(1) Monetary Authority of Singapore's Annual Report 2015/2016.

(2) PRC Consumer Air Purifier Industry Report by Converging Knowledge Private Limited dated 10 September 2015. Please refer to the Offer Document for further details.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on?

No.

(b) Corresponding period of the Immediately Preceding Financial Year?

Any dividend declared for the corresponding year of the Immediately Preceding Financial Year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendedd, a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

During FY2016, the Group did not enter into any IPT of more than S\$100,000.

14. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of S\$4.55 million (the "Net Proceeds"). Please refer to the Offer Document for further details. As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
Establishment of a new business for environmental and technological solutions products in the PRC	3,300	2,000	1,300
Investment in the research and development of new and existing products and establishment and enhancement of manufacturing capabilities	500	500	-
Working Capital	750	750	-
Total	4,550	3,250	1,300

15. Confirmation by the issuer pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the Catalist Rules.

16. Negative confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

Not applicable for announcement of full year financial statements.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results.)

- 17. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business Segments

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

Clean room equipments

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

HVAC

HVAC products are essentially deflection grilles and air diffusers installed to channel and regulate the airflow into the environment within the building to ensure an even distribution of air within the confined space. HVAC products also include fire and marine dampers.

Air purification equipment

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

Others

Others include cooling towers which is complementary to HVAC products in Singapore.

Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

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

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

There are no inter-segment sales within the Group.

Business Segments

	Clean room	HVAC	Air Purification	Others	Group
2016	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:					
External customers	4,017	6,825	5,380	462	16,684
Segment Results	(862)	(510)	1,210	(14)	(176)
Interest income					11
Finance costs					(124)
Profit before income tax					(289)
Income Tax Expense					(552)
Profit for the year					(841)
Assets:					
Segment assets	6,643	6,625	7,951	698	21,917
Segment liabilities	3,265	3,257	365	343	7,230
Income tax payables					620
Deferred tax					175
Loans and borrowings					209
Total liabilities					8,234
Other Segment Information					
Capital Expenditure	29	49	373	3	454
Depreciation of property, plant and equipment	95	162	81	11	349
Amortisation of intangible assets	-	-	202	-	202

Business Segments

	Clean room S\$'000	HVAC S\$'000	Air Purification S\$'000	Others S\$'000	Group S\$'000
2015					
Revenue:					
External customers	7,297	6,818	2,093	643	16,851
Segment Results	881	500	902	135	2,418
Interest Income					4
Listing expenses					(1,067)
Finance costs					(87)
Profit before income tax					1,268
Income Tax Expense					(479)
Profit for the year					789
Assets:					
Segment assets	7,919	7,259	2,631	765	18,574
Segment liabilities	3,148	3,147	1,078	331	7,704
Bank overdraft					643
Income tax payables					444
Deferred tax					204
Loans and borrowings					462
Total liabilities					9,457
Other Segment Information					
Capital Expenditure	136	127	661	12	936
Depreciation of property, plant and equipment	146	137	28	13	324

Geographical Segments

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Revenue		Non- Current Assets	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Singapore	8,520	9,251	384	465
China	5,759	2,094	755	576
Malaysia	648	804	3,915	4,187
Others	1,757	4,702	-	-
Total	16,684	16,851	5,054	5,228

18. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

19. A breakdown of sales.

	<----- Group ----->		
	2016	2015	Change
	S\$'000	S\$'000	%
Revenue reported for first half year	9,824	6,600	49
Profit after tax reported for first half year	277	358	(23)
Revenue reported for second half year	6,860	10,251	(33)
Profit after tax reported for second half year	(1,118)	431	(359)

20. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

There is no dividend declared in the current and previous financial year.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) occupying a managerial position in the issuer or any of its principal subsidiaries.

BY ORDER OF THE BOARD

Zhang Wei
Non-Executive Chairman
24 February 2017

See Yen Tarn
Independent Director
24 February 2017