

ADDENDUM DATED 9 JUNE 2020

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS ADDENDUM OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise stated, capitalised terms on this cover are defined in this Addendum under the section entitled “DEFINITIONS”.

This Addendum is issued by the Company to provide Shareholders with the rationale for and information relating to, and to seek Shareholders’ approval for the proposed renewal of Shareholders’ general mandate for interested person transactions, to be tabled at the 2020 AGM. The Notice of AGM and the Proxy Form are published on (i) the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s corporate website at <http://www.eindec.com.sg/ir.html>.

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

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.



EINDEC CORPORATION LIMITED

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

ADDENDUM TO THE NOTICE OF AGM

in relation to

THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

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DEFINITIONS

For the purposes of this Addendum, the following definitions apply throughout unless otherwise requires or otherwise stated:

- “2018 EGM”* : The extraordinary general meeting of the Company held on 27 April 2018
- “2019 Annual Report”* : The annual report of the Company for FY2019
- “2020 AGM”* : The annual general meeting of the Company to be held by way of electronic means on [Wednesday], 24 June 2020 at 10.00 a.m., the notice of which is published on (i) the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s corporate website at <http://www.eindec.com.sg/ir.html>
- “Addendum”* : This addendum dated 9 June 2020 in relation to the Proposed Renewal of IPT Mandate
- “AGM”* : The annual general meeting of the Company
- “Associate(s)”* : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly together or indirectly) have an interest of 30% or more, and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”* : The audit committee of the Company for the time being
- “Auditors”* : The auditors of the Company for the time being
- “Board” or “Board of Directors”* : The board of Directors as at the date of this Addendum

DEFINITIONS

<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, modified or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
<i>“Company”</i>	:	Eindec Corporation Limited
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
<i>“CPF”</i>	:	The Central Provident Fund
<i>“Director”</i>	:	A director of the Company as at the date of this Addendum
<i>“FY2019”</i>	:	The financial year ended 31 December 2019
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Chief Financial Officer”</i>	:	Queenie Foo Quek Cheng
<i>“Independent Directors”</i>	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Renewal of IPT Mandate, namely, See Yen Tarn, Wong Chee Meng Lawrence and Jeffrey Ong Shen Chieh
<i>“Interested Persons”</i>	:	The interested persons of the Company who fall within the IPT Mandate, being the Weiye Group Entities, details as set out in Section 2.5 of this Addendum
<i>“Interested Person Transactions” or “IPT”</i>	:	The categories of transactions with the Interested Persons which fall within the IPT Mandate, as set out in Section 2.6 of this Addendum

DEFINITIONS

<i>“IPT Mandate”</i>	:	The general mandate from Shareholders pursuant to Chapter 9 of the Catalist Rules, permitting companies within the Group, or any of them, to enter into the Interested Person Transactions, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.
<i>“Latest Practicable Date”</i>	:	1 June 2020, being the latest practicable date prior to the issue of this Addendum
<i>“NTA”</i>	:	Net tangible assets
<i>“Proposed Renewal of IPT Mandate”</i>	:	Has the meaning ascribed to it in Section 1.1 of this Addendum
<i>“Securities Account”</i>	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of the Company
<i>“Shareholders”</i>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts maintained with CDP are credited with those Shares. Any reference to Shares held by or shareholders of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register maintained by CDP
<i>“Substantial Shareholder”</i>	:	A person who has an interest (directly or indirectly) in one (1) or more voting Shares and the total votes attaching to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares of the Company
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
<i>“Weiye Group Entities”</i>	:	Weiye Holdings Limited and its subsidiaries

DEFINITIONS

Currencies, Units and Others

“S\$” : Singapore dollars, the lawful currency of the Republic of Singapore

“%” or “per cent” : Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore (as may be amended, modified or supplemented from time to time). The term “treasury shares” shall have the meaning ascribed to it in the Companies Act.

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 the neuter genders and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

The headings in this Addendum are inserted for convenience only and shall be ignored in construing in this Addendum.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Addendum is made by reference to Singapore time and dates, unless otherwise stated.

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

LETTER TO SHAREHOLDERS

EINDEC CORPORATION LIMITED

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

Directors:

Mr. Zhang Wei (*Non-Executive Chairman*)
Mr. See Yen Tarn (*Independent Director*)
Mr. Wong Chee Meng Lawrence (*Independent Director*)
Mr. Jeffrey Ong Shen Chieh (*Independent Director*)

Registered Office:

100H Pasir Panjang Road
OC@Pasir Panjang
#01-01
Singapore 118524

9 June 2020

To: The Shareholders of Eindec Corporation Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1 Pursuant to Chapter 9 of the Catalist Rules, the Directors intend to seek Shareholders' approval at the 2020 AGM for the proposed renewal of the IPT Mandate (the "**Proposed Renewal of IPT Mandate**").
- 1.2 The purpose of this Addendum is to explain the rationale for and provide information to Shareholders for the Proposed Renewal of IPT Mandate.
- 1.3 Shareholders should read this Addendum carefully and consider the recommendation of the Directors in Section 4 of this Addendum.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Background

The IPT Mandate was adopted by Shareholders at the 2018 EGM and was last renewed at the AGM held on 15 April 2019. The IPT Mandate will expire on 24 June 2020, being the date of the 2020 AGM. Accordingly, pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the Proposed Renewal of the IPT Mandate.

The Proposed Renewal of the IPT Mandate will enable the Company and/or its subsidiaries which are considered to be entities at risk within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of business, to enter into categories of transactions with specified classes of the Company's interested persons, provided that such transactions are entered into on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

There is no change in the categories of transactions, entities at risk and interested persons in the Proposed Renewal of the IPT Mandate.

LETTER TO SHAREHOLDERS

The renewed IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2020 AGM and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next and each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued relevance and application to transactions with the Interested Persons and its confirmation that the methods or review procedures for the transactions with Interested Persons are sufficient to ensure that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.2 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an “**entity at risk**”) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that the interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with the interested persons that may adversely affect the interests of the listed company or its shareholders. The definitions of certain terms which are used in Chapter 9 of the Catalist Rules (such as “**entity at risk**”, “**interested person**” and “**associate**”) are set out in the **Appendix** of this Addendum.

Under Chapter 9 of the Catalist Rules, where an entity at risk proposes to enter into a transaction with an interested person, an immediate announcement or an immediate announcement and shareholders’ approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3% of the group’s latest audited NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited NTA.

Further, shareholders’ approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5% of the group’s latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group’s latest audited NTA.

The above requirements for immediate announcement and/or for shareholders’ approval do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

Based on the latest audited consolidated financial statements of the Group for FY2019, the audited NTA of the Group was S\$7,348,000. Accordingly, for illustration purposes, in relation to the Group and for the purposes of Chapter 9 of the Catalist Rules for the current financial year, Shareholders' approval is required where:

- (a) an interested person transaction is of a value equal to, or more than, approximately S\$367,400 (the "**Threshold**"), being 5% of the latest audited NTA value of the Group; or
- (b) the interested person transaction, when aggregated with other transactions entered into with the same Interested Person during the same financial year, is of a value equal to, or more than, the Threshold.

Rule 920 of the Catalist Rules, however, permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

The Company estimates that from the date of the 2020 AGM to the date of the next AGM, which will have to be held no later than 30 April 2021, the value of the Interested Person Transactions may cross the Threshold, and accordingly, the Company is seeking the Proposed Renewal of IPT Mandate to ensure that it remains in compliance with the requirements of Chapter 9 of the Catalist Rules.

2.3 Rationale for the Proposed Renewal of IPT Mandate

It is envisaged that in the ordinary course of their business, transactions between members in the Group and the Interested Persons (as described in Section 2.5 of this Addendum) are likely to occur from time to time. Such transactions would include, but are not limited to the supply and installation of air purification systems in the ordinary course of business of the Group to the Weiye Group Entities, details of which are contained in Section 2.6 of this Addendum.

In view of the time-sensitive nature of these requirements and the frequency of commercial transactions between members in the Group and the Interested Persons, obtaining the approval from the Shareholders for the Proposed Renewal of IPT Mandate pursuant to Chapter 9 of the Catalist Rules will enable:

- (a) the Company;
- (b) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of the Company (other than associated companies that are listed on the SGX-ST or an approved exchange) over which the Group, or the Group and its interested person(s), has or have control,

or any of them, in the ordinary course of their businesses, to enter into Interested Person Transactions (set out in Section 2.6 of this Addendum) with the Interested Persons (as set out in Section 2.5 of this Addendum), provided such Interested Person Transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

2.4 Benefits to Shareholders

The IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant member in the Group into such Interested Person Transactions. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other business objectives.

The Group will be able to maximise its business opportunities especially in transactions that are time-sensitive in nature, and the significant amount of administrative resources, time and expenses saved could be channelled towards attaining other corporate objectives. The provision of products and services to the Interested Persons is also an additional source of revenue stream for the Group which will help to bolster its market share within the industry, provided that such products and services are provided on normal commercial terms and are not be prejudicial to the interests of the Company and its minority Shareholders. Notwithstanding the above, Shareholders will be updated on the value of such Interested Person Transactions through the Company's interim and full-year financial results announcements and in its annual reports.

2.5 Scope of the IPT Mandate

The IPT Mandate applies to the Interested Person Transactions which are carried out between the Group and the Weiye Group Entities.

Weiye Holdings Limited is a Controlling Shareholder of the Company and owns 66.76% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. Weiye Holdings Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Weiye Group Entities are principally engaged in the business of property development of residential and commercial properties in the People's Republic of China.

Pursuant to Chapter 9 of the Catalist Rules, each of the companies in the Weiye Group Entities is an Interested Person. In addition, the Non-Executive Chairman of the Company, Zhang Wei, is a director and owns 71.32% of the issued and paid-up share capital of Weiye Holdings Limited as at the Latest Practicable Date.

2.6 Categories of Interested Person Transactions

The transactions contemplated under the IPT Mandate involve the supply and/or installation of air purification systems and other products, which are recurring transactions of revenue or trading nature or necessary for its business by the Group, to the Weiye Group Entities.

Under the supply agreements that will be entered into between the Group and the Weiye Group Entities, the Group will supply with and/or install for the Weiye Group Entities such quantity of air purification systems and other products as the Weiye Group Entities may request from time to time and subject to the terms and conditions of each individual supply agreement entered into between the Group and the Weiye Group Entities.

The IPT Mandate will not cover any transaction by a member in the Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.

LETTER TO SHAREHOLDERS

Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2.7 Review Procedures for Interested Person Transactions

The Group has established the following procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In general, these are procedures established by the Group to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

All supply agreements entered into with Interested Persons are to be carried out based on the prevailing market rates on terms which are no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties or otherwise in accordance with applicable industry norms. All Interested Person Transactions must also be consistent with the usual practices and policies of the Group.

The Group will use its reasonable endeavours to compare the quotation offered to the Interested Persons with at least two (2) recent contracts or agreements entered into by the Group with unrelated third parties to ensure that the prices and terms offered to the Interested Persons shall be no more favourable than the usual commercial terms extended to unrelated third parties.

In the event that two (2) recent contracts or agreements are not available as a basis for comparison, a manager of the Group who is independent of the Interested Persons ("**Independent Manager**") will determine a reasonable percentage mark-up from cost to ensure that the pricing for such supply to Interested Persons is in accordance with industry norms and usual business practices, strategic direction of the Group and pricing policies of the relevant company in the Group. The reasonable percentage mark-up from cost as determined by the Independent Manager shall be approved by the Chief Financial Officer (who shall not be interested in any of the Interested Person Transactions) prior to entry and subject to the Audit Committee's review on a half-yearly basis.

The prices and terms of the Interested Person Transactions shall be no more favourable than the usual commercial terms extended to unrelated third parties, after taking into account, factors such as (but not limited to) the nature of the product, delivery schedules, order quantity, foreign exchange rates, customer requirements and specifications, duration of contract, credit worthiness, preferential rates, discounts or rebates for bulk purchases, and cost of freight.

Notwithstanding the aforementioned, the Group shall monitor all Interested Person Transactions entered into by the Group categorising the transactions as follows:

- (a) a "category one" Interested Person Transaction is one where the value thereof is 3.0% or more of the latest audited NTA of the Group; and
- (b) a "category two" Interested Person Transaction is one where the value thereof is below 3.0% of the latest audited NTA of the Group.

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All “category one” Interested Person Transactions must be approved by the Audit Committee prior to entry. All “category two” Interested Person Transactions must be approved by the Chief Financial Officer prior to entry and shall be reviewed on a half yearly basis by the Audit Committee to ensure that the Interested Person Transactions are carried out on normal commercial terms and in accordance with the procedures outlined above.

In the event that the aggregate value of all transactions entered into with the same Interested Person during the same financial year amounts to 3.0% or more of the latest audited NTA of the Group, such Interested Person Transaction will be subject to prior review and approval by the Audit Committee.

2.8 Register of Interested Person Transactions

The Company will maintain a register of all transactions carried out with the Interested Persons and shall include all information pertinent to the evaluation of the transactions such as, but not limited to, the value of the transactions, the nature of the transactions, the material terms and conditions, the basis for determining the transaction prices, and supporting evidence and quotations obtained to support such basis.

The register of Interested Person Transactions shall be prepared, maintained and monitored by the Chief Financial Officer (who shall not be interested in any of the Interested Person Transactions) who is duly delegated to do so by the Audit Committee, and reviewed by the Audit Committee and internal Auditors on an annual basis. Any discrepancies or significant variances from the Group’s usual business practices and pricing policies will be highlighted to the Audit Committee.

2.9 Review by the Audit Committee

The Audit Committee shall review the annual internal audit reports (including the register of Interested Person Transactions) on Interested Person Transactions and Interested Person Transactions set out in the half-yearly report at the half-yearly meetings to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.

If during these reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, to ensure that the mandated Interested Person Transactions will be conducted based on the Group’s normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will then revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons, to ensure that the Interested Person Transactions will be conducted based on normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders. During the period prior to obtaining a fresh mandate from the Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee.

If any member of the Audit Committee has an interest in the Interested Person Transaction, he shall abstain from participating in the review and approval process in relation to that Interested Person Transaction.

LETTER TO SHAREHOLDERS

The Audit Committee is of the view that the above guidelines and procedures are sufficient to ensure that these Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.10 Validity Period of the IPT Mandate

The IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Interested Persons.

2.11 Disclosure under the Catalist Rules

The Company will announce the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The name of interested persons and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format (or in such other form as the Catalist Rules may require from time to time):

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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2.12 Statement of the Audit Committee

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in Sections 2.7 to 2.9 of this Addendum have not changed since the IPT Mandate was adopted by Shareholders at the 2018 EGM and last renewed at the AGM held on 15 April 2019; and

LETTER TO SHAREHOLDERS

- (b) the methods or procedures for determining the transaction prices of the Interested Person Transactions as described in Sections 2.7 to 2.9 of this Addendum are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures are inadequate or inappropriate to ensure that the relevant transactions with the Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on the new guidelines and procedures for Interested Person Transactions.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in the Shares of the Company, as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date, are as follows:

Director	Number of Shares		Total %
	Direct Interest	Deemed Interest	
Zhang Wei ⁽¹⁾	–	71,900,000	66.76

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

Substantial Shareholder	Number of Shares		Total % ⁽³⁾
	Direct Interest	Deemed Interest	
Weiye Holdings Limited ⁽¹⁾⁽²⁾	71,900,000	–	66.76
Zhang Wei ⁽¹⁾	–	71,900,000	66.76
Chen Zhiyong ⁽²⁾	–	71,900,000	66.76

Notes:

- (1) Zhang Wei is deemed to have an interest in the Shares held by Weiye Holdings Limited (“Weiye”), by virtue of his shareholding in Weiye and Section 7 of the Companies Act.
- (2) Chen Zhiyong is deemed to have an interest in the Shares held by Weiye, by virtue of his shareholding in Weiye and Section 7 of the Companies Act.
- (3) The percentage is calculated based on 107,700,000 issued ordinary shares of the Company (excluding treasury shares) as at the Latest Practicable Date.

4. DIRECTORS' RECOMMENDATIONS

The Non-Executive Chairman of the Company, Zhang Wei, is a director and controlling shareholder of Weiye Holdings Limited. As such, he will abstain from making any recommendations in connection with the Proposed Renewal of IPT Mandate.

LETTER TO SHAREHOLDERS

Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Interested Person Transactions.

Having fully considered the rationale for and benefits of the IPT Mandate set out in Sections 2.3 and 2.4 of this Addendum, the Independent Directors believe that the Proposed Renewal of IPT Mandate is in the best interests of the Company and its Shareholders.

The Independent Directors are of the opinion that the review procedures as set out in Sections 2.7 to 2.9 of this Addendum for determining transaction prices of the Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the Proposed Renewal of IPT Mandate as set out in the Notice of AGM.

The Independent Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

5. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Weiye Holdings Limited and its Associates shall abstain from voting in respect of each of their shareholdings on Ordinary Resolution 8 relating to the Proposed Renewal of IPT Mandate as set out in the Notice of AGM. Furthermore, Weiye Holdings Limited and its Associates shall decline appointment to act as proxies to vote at the AGM in respect of Ordinary Resolution 8 relating to the Proposed Renewal of IPT Mandate for other Shareholders unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of the IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in the Addendum 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 the Addendum in its proper form and context.

LETTER TO SHAREHOLDERS

7. INSPECTION OF DOCUMENTS

The following documents will be available for inspection at the Company's registered office at 100H Pasir Panjang Road, OC@Pasir Panjang, #01-01, Singapore 118524 during normal business hours from the date of this Addendum up to and including the date of the 2020 AGM:

- (a) the Constitution; and
- (b) the 2019 Annual Report.

Yours faithfully,
For and on behalf of the Board of Directors of
EINDEC CORPORATION LIMITED

Shirley Tan Sey Liy
Company Secretary

APPENDIX – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE CATALIST RULES

1. INTRODUCTION

Chapter 9 of the Catalist Rules applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 of the Catalist Rules is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

The aforementioned terms “entity at risk”, “interested person” and “associated companies” as well as other terms used are defined below.

2. MAIN TERMS USED IN CHAPTER 9 OF THE CATALIST RULES

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.
- (b) An “**associate**” means:
- (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
 1. his immediate family;
 2. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 3. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
 - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) A “**chief executive officer**” means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (e) A “**controlling shareholder**” of a listed company means a person who (i) holds directly or indirectly 15 per cent or more of the voting rights in the listed company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (ii) a person who in fact exercises control over a company.

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- (f) An “**entity at risk**” means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company.
- (g) An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9 of the Catalist Rules, immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated NTA) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where

- (a) the interested person transaction is of a value equal to, or more than, 3% of the group’s latest audited NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

Shareholders’ Approval

Shareholders’ approval is required where the interested person transaction is of a value equal to, or more than:

- (a) 5% of the listed group’s latest audited NTA; or
- (b) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

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However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000.