

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

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

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd., at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Unaudited Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2022

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(A) Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		2H2022	2H2021	Change	FY2022	FY2021	Change
		(unaudited)	(unaudited)		(unaudited)	(audited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Revenue	4	12,494	9,148	37	25,876	16,835	54
Cost of sales		(9,778)	(7,121)	37	(19,457)	(12,945)	50
Gross profit		2,716	2,027	34	6,419	3,890	65
Other income		14	201	(93)	181	267	(32)
Administrative expenses		(2,002)	(2,165)	(8)	(4,148)	(4,368)	(5)
(Expected credit loss)/ Reversal of credit loss							
on trade receivables		(90)	7	n.m.	(90)	7	n.m.
Other operating expenses		(84)	(7)	n.m.	(220)	(14)	n.m.
Results from operating activities		554	63	n.m.	2,142	(218)	n.m.
Finance income		12	17	(29)	23	35	(34)
Finance costs		(215)	(121)	78	(352)	(258)	36
Net finance costs		(203)	(104)	95	(329)	(223)	48
Profit/(Loss) before income tax	6	351	(41)	n.m.	1,813	(441)	n.m.
Income tax credit/(expense)	7	176	(233)	n.m.	114	(234)	n.m.
Profit/(Loss) for the period/year		527	(274)	n.m.	1,927	(675)	n.m.
Other comprehensive income/(loss)							
<i>Items that are or may be reclassified</i> <i>subsequently to profit or loss:</i>							
Exchange differences on translation of foreign operations		(302)	(28)	979	(565)	(83)	581
Total comprehensive income/(loss) for the period/year, net of tax		225	(302)	n.m.	1,362	(758)	n.m.
Income/(loss) for the period/year attributable to:							
Equity holders of the Company		352	(412)	n.m.	1,616	(953)	n.m.
Non-controlling interests		175	138	27	311	278	12
		527	(274)	n.m.	1,927	(675)	n.m.
Total comprehensive income/(loss) for the period/year attributable to:							
Equity holders of the Company		120	(431)	n.m.	1,140	(1,043)	n.m.
Non-controlling interests		105	129	(19)	222	285	(22)
		225	(302)	n.m.	1,362	(758)	n.m.
Profit/(Loss) per share attributable to owners of the Company							
Basic and diluted ^[1]		0.33	(0.38)	n.m.	1.50	(0.88)	n.m.

n.m. denotes not meaningful

[1] Basic profit/(loss) per share is calculated on the Group's profit/(loss) for the respective periods attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the respective periods. Diluted profit/(loss) per share is calculated on the same basis as basic profit/(loss) per share as there were no dilutive potential ordinary shares in the respective periods.

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(B) Condensed interim statement of financial position

	Note	Group		Company	
		As at	As at	As at	As at
		31.12.2022 (unaudited) S\$'000	31.12.2021 (audited) S\$'000	31.12.2022 (unaudited) S\$'000	31.12.2021 (audited) S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	8	5,892	5,466	-	-
Intangible assets	9	90	152	-	-
Subsidiaries		-	-	9,300	9,300
Total non-current assets		5,982	5,618	9,300	9,300
Current assets					
Inventories	11	4,236	5,797	-	-
Trade and other receivables	12	8,008	11,362	1,959	2,445
Cash and bank balances		2,284	1,977	116	102
Other investments	13	760	1,103	-	-
Total current assets		15,288	20,239	2,075	2,547
Total assets		21,270	25,857	11,375	11,847
EQUITY AND LIABILITIES					
Share capital	14	14,917	14,917	14,917	14,917
Other reserves		(11,217)	(10,791)	-	-
Retained earnings / (Accumulated losses)		3,388	1,822	(5,777)	(5,245)
Equity attributable to owners of the Company		7,088	5,948	9,140	9,672
Non-controlling interests		992	811	-	-
Total equity		8,080	6,759	9,140	9,672
LIABILITIES					
Non-current liabilities					
Loans and borrowings	15	1,594	1,157	-	-
Deferred tax liabilities		155	202	-	-
Total non-current liabilities		1,749	1,359	-	-
Current liabilities					
Loans and borrowings	15	2,635	3,009	-	-
Trade and other payables		8,352	12,887	2,235	2,175
Contract liabilities		213	1,416	-	-
Income tax payable		241	427	-	-
Total current liabilities		11,441	17,739	2,235	2,175
Total liabilities		13,190	19,098	2,235	2,175
Total equity and liabilities		21,270	25,857	11,375	11,847
Net asset value per ordinary share (S\$ cents)		6.58	5.52	8.49	8.98

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(C) Condensed interim statement of changes in equity

	Share capital	Merger reserve	Foreign Currency Translation reserve	Statutory Reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2022 (audited)	14,917	(9,138)	(1,777)	124	1,822	5,948	811	6,759
Profit for the year	-	-	-	-	1,616	1,616	311	1,927
<i>Other comprehensive (loss)/income</i>								
Foreign currency translation differences from foreign operations	-	-	(476)	-	-	(476)	(89)	(565)
Total comprehensive (loss)/income for the year, net of tax	-	-	(476)	-	1,616	1,140	222	1,362
Dividend paid	-	-	-	-	-	-	(41)	(41)
Transfer to statutory reserve	-	-	-	50	(50)	-	-	-
Balance at 31.12.2022 (unaudited)	14,917	(9,138)	(2,253)	174	3,388	7,088	992	8,080

	Share capital	Merger reserve	Foreign Currency Translation reserve	Statutory Reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2021 (audited)	14,917	(9,138)	(1,687)	124	2,775	6,991	526	7,517
(Loss)/Profit for the year	-	-	-	-	(953)	(953)	278	(675)
<i>Other comprehensive (loss)/income</i>								
Foreign currency translation differences from foreign operations	-	-	(90)	-	-	(90)	7	(83)
Total comprehensive (loss)/income for the year, net of tax	-	-	(90)	-	(953)	(1,043)	285	(758)
Balance at 31.12.2021 (audited)	14,917	(9,138)	(1,777)	124	1,822	5,948	811	6,759

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(C) Condensed interim statement of changes in equity (cont'd)

	Share capital	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000
Balance at 1.1.2022 (audited)	14,917	(5,245)	9,672
Loss for the year, representing total comprehensive loss for the year	-	(532)	(532)
Balance at 31.12.2022 (unaudited)	14,917	(5,777)	9,140

	Share capital	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000
Balance at 1.1.2021 (audited)	14,917	(4,734)	10,183
Loss for the year, representing total comprehensive loss for the year	-	(511)	(511)
Balance at 31.12.2021 (audited)	14,917	(5,245)	9,672

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(D) Condensed interim consolidated statement of cash flows

	Group	
	FY2022 (unaudited)	FY2021 (audited)
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(Loss) before tax	1,813	(441)
<i>Adjustments for:</i>		
Amortisation of intangible assets	71	19
Bad debts written off	-	2
Expected credit loss/(Reversal of expected credit loss) on trade receivables	90	(7)
Depreciation of property, plant and equipment	953	1,452
Loss on disposal of property, plant and equipment	-	4
Impairment loss on property, plant and equipment	78	-
Government grant – overprovision in previous year	-	(24)
Property, plant and equipment written off	4	1
Inventory written off	125	-
Allowance for inventory obsolescence	55	-
Write-back of inventories (net)	-	(20)
Gain on lease modification	-	(9)
Interest expenses	352	258
Interest income	(23)	(35)
Unrealised foreign exchange loss	1	148
	3,519	1,348
Changes in working capital:		
Inventories	1,067	(2,617)
Trade and other receivables	2,293	(2,503)
Trade and other payables	(3,479)	938
Contract liabilities	(1,147)	349
Cash generated from/(used in) operations	2,253	(2,485)
Interest received	5	35
Tax paid	(64)	(42)
Net cash generated from/(used in) operating activities	2,194	(2,492)
Cash flows from investing activities		
Purchase of property, plant and equipment	(686)	(44)
Net cash outflow from disposal of a subsidiary	(390)	-
Purchase of intangible assets	(9)	-
Net proceeds from other investments	286	213
Net cash (used in)/generated from investing activities	(799)	169

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(D) Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	FY2022 (unaudited)	FY2021 (audited)
	S\$'000	S\$'000
Cash flows from financing activities		
Interest paid	(247)	(124)
Repayment of short-term financing	-	(56)
Principal payment of lease liabilities	(765)	(527)
Proceeds from bank borrowings	410	125
Repayment of bank borrowings	(110)	(16)
Dividend paid to non-controlling interests	(41)	-
Net cash used in financing activities	(753)	(598)
Net increase/(decrease) in cash and cash equivalents	642	(2,921)
Cash and cash equivalents at the beginning of the financial year	1,148	4,249
Effect of exchange rate changes on cash and cash equivalents	18	(180)
Cash and cash equivalents at the end of the financial year	1,808	1,148
Group		
Cash and cash equivalents as per statement of financial position comprising:		
Cash at bank	2,284	1,977
Bank overdraft	(476)	(829)
Cash and cash equivalents as per consolidated statement of cash flows	1,808	1,148

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements

1 Corporate information

Eindec Corporation Limited (the “**Company**”) is a company incorporated in Singapore. The address of the Company’s registered office is 10 Bukit Batok Crescent, #06-05 The Spire, Singapore 658079. The Company was listed on the Catalist Board of the SGX-ST on 15 January 2016.

The immediate and ultimate holding company is Weiye Holdings Limited, a company incorporated in Singapore and listed on the Stock Exchange of Hong Kong.

These unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The principal activity of the Company is that of an investment holding company. The principal activities of the Group are:

- (a) design, manufacture and distribution of clean room equipment;
- (b) design, manufacture and distribution of heating, ventilation and air-conditioning equipment;
- (c) design, manufacture and distribution of environmental and technological solutions products such as air purifiers integrated solutions; and
- (d) distribution and installation of cooling towers.

COVID-19 Impact

The COVID-19 pandemic remains fluid as the world continues to tackle uncertainties from the emergence of new variants. From time to time, the Group’s business operation will inevitably be affected by the safe management measures implemented by governments in the region where the Group operates. Following the lifting of travel restrictions by various countries, the Group saw general improvement in its sales order deliveries in local market as well as in the overseas markets.

As of to-date, the Group continues to feel the pressure from the impact of global semiconductor supply shortages. Unless the supply of electrical components could otherwise catch up in due course, the Group’s clean room equipment business segment may experience a slowdown after the order books have been fully fulfilled in the full year ended 31 December 2022. Against the backdrop of ongoing challenges, the Group will continue to maintain a cautious outlook and adjust its strategy from time to time for the next twelve months to safeguard its financial position, particularly when business globally is facing challenges from rising interest rates and exchange rate volatility amid global geopolitical uncertainties.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

2 Basis of Preparation

The unaudited condensed interim financial statements for the six months (“2H2022”) and full year ended 31 December 2022 (“FY2022”) have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last unaudited condensed interim financial statements for the six months ended 30 June 2022.

The accounting policies and methods of computation adopted are consistent with those of the previous audited financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

During FY2022, the Group and the Company have adopted the following new SFRS(I), amendments and interpretations of SFRS(I) that are relevant to the Group and the Company and are effective from financial year beginning on 1 January 2022.

- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, plant and equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The adoption of these new SFRS(I), amendments and interpretations of SFRS(I) did not result in changes to the Group’s and the Company’s accounting policies and has no significant impact on the amounts reported for the current or prior years.

2.2 Use of judgements and estimates

The preparation of the unaudited condensed financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the full year ended 31 December 2021 (“FY2021”).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

2 Basis of Preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 - Impairment of non-financial assets, including property, plant and equipment and intangible asset;
- Note 8 and 9 - Depreciation of property, plant and equipment and amortisation of intangible asset;
- Note 12 - Valuation of trade receivables; and
- Note 11 - Valuation of inventories.

3 Seasonal Operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period/year.

4 Segment and Revenue Information

The Group is organised into the following main business segments:

(i) Clean room equipment ("CRE");

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

(ii) Heating ventilation and air-conditioning products ("HVAC");

Heating ventilation and air-conditioning 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.

(iii) Air purification integrated solutions ("AP");

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 sterilizing 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. Integrated with air purification systems, other solutions such as smart home equipment with integrated security system implementation services, renovation materials, and supply and installation of smart door and window systems have been included in this segment.

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

(iii) Others.

Others refers to cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore.

The Group's Chief Executive Officer ("CEO") monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results, as included in the internal management reports that are reviewed by the Group's CEO. Segment results are used to assess performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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 during FY2022.

The following is an analysis of the Group's revenue and results by reportable segments:

4.1 Reportable Segments

Segments	Group			
	Revenue		Segments results	
	2H2022	2H2021	2H2022	2H2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
CRE	1,327	1,763	(190)	178
HVAC	4,850	2,828	844	(290)
AP	6,151	4,491	(29)	62
Others	166	66	6	(43)
	12,494	9,148	631	(93)
Unallocated items:				
Other income			12	178
Other operating expenses			(162)	(7)
Finance income			3	-
Finance cost			(133)	(119)
Profit/(Loss) before income tax			351	(41)
Income tax credit/(expense)			176	(233)
Profit/(Loss) after income tax			527	(274)

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.1 Reportable Segments (cont'd)

	Group			
	Revenue		Segments results	
	FY2022 (unaudited)	FY2021 (audited)	FY2022 (unaudited)	FY2021 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Segments				
CRE	7,032	3,587	784	(203)
HVAC	8,313	5,874	1,108	(47)
AP	10,315	7,241	327	(93)
Others	216	133	(20)	(70)
	25,876	16,835	2,199	(413)
Unallocated items:				
Other income			179	240
Other operating expenses			(298)	(14)
Finance income			3	-
Finance cost			(270)	(254)
Profit/(Loss) before income tax			1,813	(441)
Income tax credit/(expense)			114	(234)
Profit/(Loss) after income tax			1,927	(675)

	Group	
	As at 31.12.2022	As at 31.12.2021
	(unaudited)	(audited)
Segment assets		
CRE	1,321	1,391
HVAC	2,677	2,109
AP	7,751	12,706
Others	30	35
Total segment assets	11,779	16,241
Unallocated assets [#]	9,491	9,616
Consolidated total assets	21,270	25,857

Segment liabilities		
CRE	411	626
HVAC	74	84
AP	4,749	9,476
Others	6	39
Total segment liabilities	5,240	10,225
Unallocated liabilities [^]	7,950	8,873
Consolidated total liabilities	13,190	19,098

[#] Unallocated assets are mainly related to a portion of the property, plant and equipment, inventories, other receivables and cash and cash equivalents which are utilised by more than one segment of the Group.

[^] Unallocated liabilities are mainly related to the Group's loans and borrowings from external parties, deferred tax liabilities and the immediate holding company which are utilised by more than one segment of the Group.

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.1 Reportable Segments (cont'd)

	Group					Total
	CRE	HVAC	AP	Others	Unallocated	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2022 (unaudited)						
<i>Other segment information:</i>						
Expected credit loss						
on trade receivables	-	88	-	-	2	90
Amortisation of intangible assets	-	-	-	-	62	62
Depreciation of PPE	23	114	226	2	-	365
Impairment loss on PPE	-	-	-	-	78	78
Inventory written off	52	30	34	9	-	125
Allowance for inventory obsolescence	39	16	-	-	-	55
Capital expenditure	-	-	-	-	176	176
2H2021 (unaudited)						
<i>Other segment information:</i>						
Reversal of credit loss						
on trade receivables	1	(26)	-	-	11	(14)
Amortisation of intangible assets	-	-	-	-	9	9
Depreciation of PPE	12	(240)	881	1	-	654
Capital expenditure	-	-	266	(4)	40	302
FY2022 (unaudited)						
<i>Other segment information:</i>						
Expected credit loss						
on trade receivables	-	88	-	-	2	90
Amortisation of intangible assets	-	-	-	-	71	71
Depreciation of PPE	152	207	592	2	-	953
Impairment loss on PPE	-	-	-	-	78	78
Inventory written off	52	30	34	9	-	125
Allowance for inventory obsolescence	39	16	-	-	-	55
Capital expenditure	43	-	-	-	1,886	1,929
FY2021 (audited)						
<i>Other segment information:</i>						
Reversal of credit loss						
on trade receivables	1	3	-	-	(11)	(7)
Amortisation of intangible assets	-	-	-	-	19	19
Depreciation of PPE	306	253	881	12	-	1,452
Capital expenditure	-	-	266	-	44	310

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES (Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

<u>Group</u>	CRE	HVAC	AP	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2H2022 (unaudited)					
Primary geographical markets					
Singapore	771	4,824	-	166	5,761
Malaysia	125	(11)	-	-	114
People's Republic of China	-	-	6,151	-	6,151
Vietnam	91	-	-	-	91
Thailand	25	-	-	-	25
Hong Kong	-	-	-	-	-
Philippines	185	-	-	-	185
Others	130	37	-	-	167
	1,327	4,850	6,151	166	12,494
Major products/service line					
Sale of goods	1,265	4,850	1,731	166	8,012
Installation service	62	-	4,420	-	4,482
	1,327	4,850	6,151	166	12,494
Timing of revenue recognition					
At a point in time	1,327	4,850	6,151	166	12,494
2H2021 (unaudited)					
Primary geographical markets					
Singapore	583	2,783	-	58	3,424
Malaysia	817	26	-	-	843
People's Republic of China	-	1	4,491	-	4,492
Vietnam	22	-	-	-	22
Thailand	2	-	-	-	2
Hong Kong	-	-	-	-	-
Philippines	142	-	-	-	142
Others	206	17	-	-	223
	1,772	2,827	4,491	58	9,148
Major products/service line					
Sale of goods	1,720	2,827	532	58	5,137
Installation service	52	-	3,959	-	4,011
	1,772	2,827	4,491	58	9,148
Timing of revenue recognition					
At a point in time	1,772	2,827	4,491	58	9,148

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES (Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue (cont'd)

Group	CRE	HVAC	AP	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2022 (unaudited)					
Primary geographical markets					
Singapore	1,244	8,227	-	216	9,687
Malaysia	4,363	-	-	-	4,363
People's Republic of China	-	-	10,315	-	10,315
Vietnam	116	-	-	-	116
Thailand	25	-	-	-	25
Hong Kong	-	-	-	-	-
Philippines	986	5	-	-	991
Others	298	81	-	-	379
	7,032	8,313	10,315	216	25,876
Major products/service line					
Sale of goods	6,947	8,313	4,275	216	19,751
Installation service	85	-	6,040	-	6,125
	7,032	8,313	10,315	216	25,876
Timing of revenue recognition					
At a point in time	7,032	8,313	10,315	216	25,876
FY2021 (audited)					
Primary geographical markets					
Singapore	1,364	5,430	-	133	6,927
Malaysia	901	27	-	-	928
People's Republic of China	-	2	7,241	-	7,243
Vietnam	32	-	-	-	32
Thailand	747	-	-	-	747
Hong Kong	-	379	-	-	379
Philippines	272	-	-	-	272
Others	271	36	-	-	307
	3,587	5,874	7,241	133	16,835
Major products/service line					
Sale of goods	3,535	5,874	1,068	133	10,610
Installation service	52	-	6,173	-	6,225
	3,587	5,874	7,241	133	16,835
Timing of revenue recognition					
At a point in time	3,587	5,874	7,241	133	16,835

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

4 Segment and Revenue Information (cont'd)

4.2 Disaggregation of Revenue (cont'd)

A breakdown of sales:

	Group		Increase/ (Decrease)
	FY2022	FY2021	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	13,382	7,687	74
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	1,400	(401)	n.m.
(c) Sales reported for second half year	12,494	9,148	37
(d) Operating profit/ (loss) after tax before deducting minority interests reported for second half year	527	(274)	n.m.

n.m. denotes not meaningful

5 Financial assets and financial liabilities

Fair value measurement

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

5 Financial assets and financial liabilities (cont'd)

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021, including their levels in the fair value hierarchy are as follows:

	Carrying amount			Total	Fair value
	Amortised cost	Fair value through profit or loss	Other financial liabilities		Level 2
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
31.12.2022 (unaudited)					
Trade and other receivables	7,831	-	-	7,831	-
Cash and cash equivalents	2,284	-	-	2,284	-
Debt investments	-	760	-	760	760
	10,115	760	-	10,875	
Loan and borrowings	-	-	(4,229)	(4,229)	-
Trade and other payables	-	-	(8,352)	(8,352)	-
	-	-	(12,581)	(12,581)	
31.12.2021 (audited)					
Trade and other receivables	11,042	-	-	11,042	-
Cash and cash equivalents	1,977	-	-	1,977	-
Debt investments	636	467	-	1,103	467
	13,655	467	-	14,122	
Loan and borrowings	-	-	(4,166)	(4,166)	-
Trade and other payables	-	-	(12,887)	(12,887)	-
	-	-	(17,053)	(17,053)	
Company					
31.12.2022 (unaudited)					
Trade and other receivables	1,949	-	-	1,949	-
Cash and cash equivalents	116	-	-	116	-
	2,065	-	-	2,065	
Trade and other payables	-	-	(2,235)	(2,235)	-
31.12.2021 (audited)					
Trade and other receivables	2,435	-	-	2,435	-
Cash and cash equivalents	102	-	-	102	-
	2,537	-	-	2,537	
Trade and other payables	-	-	(2,175)	(2,175)	-

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

6 Profit/(Loss) Before Taxation

6.1 Significant Items

	Group					
	2H2022	2H2021	Change	FY2022	FY2021	Change
	(unaudited)	(unaudited)		(unaudited)	(audited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Income						
Government grants						
- Overprovision in previous year	-	-	-	-	24	n.m.
- Current year	(19)	(40)	(53)	(26)	(51)	(49)
Net foreign exchange gains	15	(99)	n.m.	(132)	(167)	(21)
Write-back of inventories (net)	-	(20)	n.m.	-	(20)	n.m.
Expenses						
Amortisation of intangible assets	62	9	589	71	19	274
Bad debts written off	-	2	n.m.	-	2	n.m.
Allowance for inventory obsolescence	55	-	n.m.	55	-	n.m.
Inventory written off	125	-	n.m.	125	-	n.m.
Depreciation of property, plant and equipment ⁽¹⁾	365	654	(44)	953	1,452	(34)
Impairment loss on property, plant and equipment	78	-	n.m.	78	-	n.m.
Employee benefits expense	2,083	1,813	15	3,944	3,654	8
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	7,982	5,706	40	15,876	9,854	61
Loss on disposal of property, plant and equipment	-	4	n.m.	-	4	n.m.
Property, plant and equipment written off	1	-	n.m.	4	1	300
Relocation expenses	-	-	-	114	-	n.m.
Research and development	47	68	(31)	125	161	(22)
Short-term and low value leases expenses	13	89	(85)	67	158	(58)
(Over)/Under provision of current income tax in respect of prior year	(167)	10	n.m.	(167)	10	n.m.

⁽¹⁾ Included in cost of sales and administrative expenses.

n.m. denotes not meaningful

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

6 Profit/(Loss) Before Taxation (cont'd)

6.2 Related Party Transactions

	Group			
	2H2022	2H2021	FY2022	FY2021
	(unaudited)	(unaudited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Expenses/(Income)				
<i>Immediate and ultimate holding company</i>				
- Interest expenses paid/payable	61	33	100	65
- Shared services income received/receivable	(6)	(6)	(12)	(12)
<i>Related corporations</i>				
- Rental paid/payable	310	261	660	792
- Sales	4,903	3,814	7,654	6,535

7 Income Tax Expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected tax profits. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	2H2022	2H2021	FY2022	FY2021
	(unaudited)	(unaudited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
- Current year	27	198	89	199
- (Over)/Under provision in respect of prior years	(167)	10	(167)	10
	(140)	208	(78)	209
Deferred tax expense				
- Origination and reversal of temporary differences	(37)	16	(37)	16
- Under provision in respect of prior years	1	9	1	9
	(36)	25	(36)	25
Tax (credit)/expenses recognised	(176)	233	(114)	234

8 Property, Plant and Equipment

During FY2022, the Group acquired property, plant and equipment with an aggregate cost of S\$1,929,000 (FY2021: S\$310,000) of which S\$686,000 (FY2021: S\$44,000) was paid in cash, S\$43,000 (FY2021: S\$266,000) was acquired by means of lease liabilities and S\$1,200,000 was acquired by means of term loan (FY2021: S\$Nil). Property, plant and equipment with carrying amount of less than S\$1,000 was disposed during FY2022 (FY2021: S\$4,000).

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

8 Property, Plant and Equipment (cont'd)

8.1 Valuation of Freehold Land and Building (“property assets”)

The management undertook their annual review of the carrying amounts of property assets under property, plant and equipment for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group.

The fair value of the Group’s property assets is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using external valuations to determine the fair value of the properties.

On 31 December 2022, the Group has reviewed the fair value of the Group’s property assets for financial reporting purposes, which has been determined based on the property assets’ highest and best use. Management has assessed that the recoverable amount of the Group’s property assets is above of their carrying value, and concluded that the Group’s property assets are not impaired.

9 Intangible assets

Intangible assets comprise development expenditure capitalised in relation to new product technologies developed by the Group and software.

During FY2022, the Group had additions to intangible assets amounting to S\$9,300 (FY2021: S\$Nil).

10 Impairment loss on non-financial assets

The Group has identified two cash-generating-unit (“CGU”); the North Asia CGU and the South Asia CGU.

In the prior financial years, due to continued operating losses and tighter market conditions, management assessed that there were indicators of impairment on the recoverable amount of the North Asia CGU that included the development cost capitalised as intangible asset. Accordingly, the Group recorded an impairment loss in the statement of comprehensive income in the prior financial year to fully impair the development cost capitalised. During the financial year ended 31 December 2022, Management has assessed and the intangible asset of North Asia CGU were fully written off.

Management has also assessed that the recoverable amount of the South Asia CGU is above the carrying value of its net assets, and concluded that its non-financial assets of South Asia CGU are not impaired.

11 Inventories

During FY2022, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence and inventory written off of S\$55,000 (FY2021: S\$Nil) and S\$125,000 (FY2021: S\$Nil) respectively.

During FY2021, the Group recognised a net inventory written back of S\$20,000. Certain inventories previously written down have been written back when they were successfully sold at prices above their carrying amount.

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

12 Trade and other receivables

	Group		Company	
	As at	As at	As at	As at
	31.12.2022 (unaudited) S\$'000	31.12.2021 (audited) S\$'000	31.12.2022 (unaudited) S\$'000	31.12.2021 (audited) S\$'000
Trade receivables				
- third parties	3,392	2,595	-	-
- related corporations	4,004	6,514	-	-
Non-trade amounts due from				
- ultimate holding company	-	2	-	-
- subsidiary	-	-	1,947	2,434
Amount due from non-controlling shareholder of a subsidiary	-	1,557	-	-
Other receivables and deposits	435	374	2	1
	7,831	11,042	1,949	2,435
Tax recoverable	19	40	-	-
Prepayments	158	280	10	10
	8,008	11,362	1,959	2,445

Expected credit loss ("ECL") assessment

The Group applied the "simplified approach" for assessing expected credit losses for trade receivables from customers. Under the simplified approach, the Group developed a provision matrix using historical credit loss rates adjusted with forward looking information to reflect the effects of the current and future economic conditions.

The following table provides information about the exposure to credit risk and ECLs for current trade receivables customers:

	Group			Credit impaired
	Weighted average loss rate %	Gross carrying amount S\$'000	Impairment loss allowance S\$'000	
As at 31.12.2022 (unaudited)				
Current (not past due)	0.42	5,952	(25)	No
1 – 30 days past due	0.42	912	(4)	No
31 – 60 days past due	0.59	388	(2)	No
61 – 90 days past due	0.90	62	(1)	No
More than 90 days past due	2.80	117	(3)	No
More than 90 days past due	100	88	(88)	Yes
		7,519	(123)	
As at 31.12.2021 (audited)				
Current (not past due)	0.33	7,855	(26)	No
1 – 30 days past due	0.33	700	(2)	No
31 – 60 days past due	0.42	132	(1)	No
61 – 90 days past due	0.59	236	(1)	No
More than 90 days past due	1.26	219	(3)	No
More than 90 days past due	100	42	(42)	Yes
		9,184	(75)	

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

12 Trade and other receivables (cont'd)

Movements in impairment loss on trade receivables were as follows:

	Group	
	Lifetime ECL	
	2022 (unaudited) S\$'000	2021 (audited) S\$'000
Balance as at 1 January	75	158
Recognised in profit loss during the year		
Additions – credit impaired	88	42
Additions – not credit impaired	2	-
Reversal	-	(49)
	90	(7)
Bad debts written off against allowance	(42)	(76)
Balance as at 31 December	123	75

13 Other Investments

	Group	
	As at 31.12.2022 (unaudited) S\$'000	As at 31.12.2021 (audited) S\$'000
	Debt investments at fair value through profit or loss ("FVTPL")	760
Debt investment at amortised cost	-	636
	760	1,103

Debt investments at FVTPL have variable returns of 2.06% (as at 31 December 2021: 3.17%) per annum.

Debt investment classified as at amortised cost of the Group has a fixed interest rate of 3.30% as at 31 December 2021 per annum and matures within 3 months.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

14 Share Capital

	Group and Company			
	As at 31.12.2022 (unaudited)	As at 31.12.2021 (audited)	As at 31.12.2022 (unaudited)	As at 31.12.2021 (audited)
	No. of shares	S\$'000	No. of shares	S\$'000
At the beginning and the end of the financial period/ year	107,700,000	14,917	107,700,000	14,917

The Company did not hold any treasury shares as at 31 December 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

The Company did not have any outstanding options and convertible securities as at 31 December 2022 and 31 December 2021.

15 Loans and borrowings

	Group	
	As at 31.12.2022 (unaudited) S\$'000	As at 31.12.2021 (audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
<i>Secured</i>		
- Bank overdraft	476	829
- Fixed bank loans	1,495	1,164
- Term loan 1	29	28
- Term loan 3	37	-
- Lease liabilities	537	915
	2,574	2,936
<i>Unsecured</i>		
- Term loan 2	61	73
	2,635	3,009
<u>Amount repayable after one year</u>		
<i>Secured</i>		
- Term loan 1	384	439
- Term loan 3	1,133	-
- Lease liabilities	77	669
	1,594	1,108
<i>Unsecured</i>		
- Term loan 2	-	49
	1,594	1,157

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(E) Notes to the unaudited condensed interim consolidated financial statements (cont'd)

15 Loans and borrowings (cont'd)

Details of any collateral

- (a) Bank overdrafts, fixed bank loans and term loan 1 are secured by a charge over the following:
 - (i) legal mortgage over the Group's freehold property; and
 - (ii) deed of debenture provided by a subsidiary for Malaysia Ringgit 13.30 million.
- (b) Term loan 3 drawdown for the purchase of a subsidiary's commercial property is secured by:
 - (i) a first mortgage over the Group's leasehold property; and
 - (ii) a corporate guarantee by the Company.
- (c) The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

16 Event occurring after reporting date

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

(F) Other information required pursuant to Appendix 7C of the Catalist Rules

1 Review

The condensed consolidated statement of financial position of Eindec Corporation Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year ended 31 December 2022 and the explanatory notes have not been audited or reviewed.

1.1 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements of the Group and the Company for the financial year ended 31 December 2021 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group

2(a) Income Statement

(i) Revenue, cost of sales and gross profit

2H2022 vs 2H2021

	Revenue		
	2H2022	2H2021	Change
	(unaudited)	(unaudited)	
	S\$'000	S\$'000	%
CRE	1,327	1,763	(25)
HVAC	4,850	2,828	71
AP	6,151	4,491	37
Others	166	66	152
	12,494	9,148	37

The Group's revenue increased by S\$3.35 million or 37%, from S\$9.15 million in the six months ended 31 December 2021 ("2H2021") to S\$12.49 million in 2H2022. The increase in revenue was mainly due to the increase in revenue contribution from the HVAC segment and the AP segment, partially offset by the decrease in revenue from the CRE segment.

- (1) The HVAC segment reported an increase in revenue by S\$2.02 million or 71%, from S\$2.83 million in 2H2021 to S\$4.85 million in 2H2022. Projects delivered in 2H2022 represented a mix of on-going orders secured in prior years and current year, as well as additions and alterations works. The increase was mainly in the geographical region of Singapore.
- (2) As the Group progressed to fulfil order books secured in prior years, revenue from the AP segment increased by S\$1.66 million, from S\$4.49 million in 2H2021 to S\$6.15 million in 2H2022. The increase was in the geographical region of People's Republic of China.
- (3) Revenue from the CRE segment decreased by S\$436,000 or 25%, from S\$1.76 million in 2H2021 to S\$1.33 million in 2H2022 due to the pressure from the impact of global semiconductor supply shortage. The few major cleanroom projects secured in prior years have been completed in the six months ended 30 June 2022 ("1H2022"). The decrease was mainly in the geographical region of Malaysia, partially offset by the increase in the geographical region of Singapore.

In tandem with the increase in revenue, the Group's cost of sales increased by S\$2.66 million or 37%, from S\$7.12 million in 2H2021 to S\$9.78 million in 2H2022.

As a result, gross profit increased from S\$2.03 million in 2H2021 to S\$2.72 million in 2H2022, while the Group's gross profit margin remained relatively stable at around 22%.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group (cont'd)

2(a) Income Statement (cont'd)

(i) Revenue, cost of sales and gross profit (cont'd)

FY2022 vs FY2021

	Revenue		
	FY2022	FY2021	Change
	(unaudited)	(audited)	
	S\$'000	S\$'000	%
CRE	7,032	3,587	96
HVAC	8,313	5,874	42
AP	10,315	7,241	42
Others	216	133	62
	25,876	16,835	54

The Group reported an increase in revenue by S\$9.04 million or 54%, from S\$16.84 million in FY2021 to S\$25.88 million in FY2022, mainly due to the following:

- (1) The CRE segment reported an increase in revenue by S\$3.45 million or 96%, from S\$3.59 million in FY2021 to S\$7.03 million in FY2022, mainly due to completion of a few major clean room projects secured in prior years during 1H2022. The increase was mainly in the geographical region of Malaysia due to a major order secured in prior year completed in 1H2022.
- (2) Revenue from the HVAC segment increased by S\$2.44 million or 42%, from S\$5.87 million in FY2021 to S\$8.31 million in FY2022, mainly due to the deliveries for orders secured in prior years and general improvement in business performance. The increase was mainly in the geographical region of Singapore, partially offset by the decrease in the geographical region of Hong Kong.
- (3) The AP segment reported an increase in revenue by S\$3.07 million or 42%, from S\$7.24 million in FY2021 to S\$10.32 million in FY2022, as the Group progressed to fulfil order books secured in prior years. The increase was in the geographical region of People's Republic of China.
- (4) Cooling tower revenue recorded under other segment increased by S\$83,000 or 62%, from S\$133,000 in FY2021 to S\$216,000 in FY2022, mainly due to general improvement in business performance.

With the increase in revenue, cost of sales increased by S\$6.51 million or 50%, from S\$12.95 million in FY2021 to S\$19.46 million in FY2022. During FY2022, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence and inventory written off of S\$55,000 (FY2021: S\$Nil) and S\$125,000 (FY2021: S\$Nil) respectively, and these were included in cost of sales.

As a result, the Group's gross profit increased by S\$2.53 million or 65%, from S\$3.89 million in FY2021 to S\$6.42 million in FY2022. Correspondingly, the gross profit margin reported by the Group improved from 23% in FY2021 to 25% in FY2022.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group (cont'd)

2(a) Income Statement (cont'd)

(ii) Other income

2H2022 vs 2H2021

Other income decreased by S\$187,000 or 93%, from S\$201,000 in 2H2021 to S\$14,000 in 2H2022. The decrease was mainly due to (i) a net foreign exchange loss of S\$15,000 in 2H2022 as compared to a net foreign exchange gain of S\$99,000 in 2H2021, as a result of depreciation of Singapore Dollar against United States Dollar; and (ii) flexi-work arrangement grant received in 2H2021 (there was no such grant received in 2H2022).

FY2022 vs FY2021

Other income decreased by S\$86,000 or 32%, from S\$267,000 in FY2021 to S\$181,000 in FY2022, mainly due to (i) decrease in foreign exchange gain of S\$35,000, as a result of depreciation of Singapore Dollar against United States Dollar and a lower rate of appreciation of Malaysia Ringgit against Singapore Dollar; and (ii) flexi-work arrangement grant received in FY2021 (there was no such grant received in FY2022).

(iii) Administrative expenses

The Group's administrative expenses decreased by S\$163,000 or 8%, from S\$2.17 million in 2H2021 to S\$2.00 million in 2H2022, and decreased by S\$220,000, from S\$4.37 million in FY2021 to S\$4.15 million in FY2022. The decrease in administrative expenses was mainly due to (i) decrease in depreciation expenses recognised in administrative expenses; and (ii) lower research and development expenses incurred for air purifier products during FY2022.

Depreciation expense decreased by S\$289,000 or 44%, from S\$654,000 in 2H2021 to S\$365,000 in 2H2022, and decreased by S\$499,000 or 34%, from S\$1.5 million in FY2021 to S\$953,000 in FY2022. The decrease was mainly due to decrease in right-of-use ("ROU") assets which resulted in lower depreciation charges of property, plant and equipment.

(iv) Other operating expenses

Other operating expenses increased by S\$77,000, from S\$7,000 in 2H2021 to S\$84,000 in 2H2022, and increased by S\$206,000, from S\$14,000 in FY2021 to S\$220,000 in FY2022. The increase was mainly due to impairment loss of plant and equipment as at 31 December 2022, and relocation expenses incurred for shifting of office during FY2022.

(v) (Expected credit loss)/Reversal of credit loss on trade receivables

The Group recognised expected credit loss on trade receivables of S\$90,000 in both 2H2022 and FY2022 as compared to a reversal of expected credit loss on trade receivables of S\$7,000 in both 2H2021 and FY2021, following the impairment review of trade receivables performed as at 31 December 2022.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalyst Rules (cont'd)

2 Review of performance of the Group (cont'd)

2(a) Income Statement (cont'd)

(vi) Finance income

Finance income decreased by S\$5,000 or 29%, from S\$17,000 in 2H2021 to S\$12,000 in 2H2022, and decreased by S\$12,000 or 34%, from S\$35,000 in FY2021 to S\$23,000 in FY2022. The decrease was mainly due to lower principal amount invested in the short-term investments with banks.

(vii) Finance costs

Finance costs increased by S\$94,000 or 78%, from S\$121,000 in 2H2021 to S\$215,000 in 2H2022, and increased by S\$94,000 or 36%, from S\$258,000 in FY2021 to S\$352,000 in FY2022.

The increase was mainly due to the increase in loans and borrowings to finance the Group's working capital and newly purchased property, as well as the increase in interest rate of loans and borrowings during FY2022.

(viii) Income tax credit/(expense)

The Group recorded income tax credit of S\$176,000 in 2H2022, as compared to income tax expense of S\$233,000 in 2H2021, and recorded income tax credit of S\$114,000 in FY2022, as compared to income tax expense of S\$234,000 in FY2021. The income tax credit was mainly due to reduced tax rate for small enterprise applicable for FY2021 tax filing in FY2022, which resulted in an overprovision of current tax expense in respect of prior year.

(ix) Profit/(Loss) for the period/year

As a result of the aforementioned, the Group recorded a net profit of S\$527,000 for 2H2022, as compared to a net loss of S\$274,000 in 2H2021, and recorded a net profit of \$1.93 million in FY2022, as compared to a net loss of S\$675,000 in FY2021.

2(b) Statement of financial position

The Group's working capital and net assets increased in tandem with the profits reported by the Group in FY2022. As at 31 December 2022, the Group recorded positive working capital of S\$3.85 million (31 December 2021: S\$2.50 million) and net asset value per ordinary share of 6.58 (31 December 2021: 5.52) Singapore cents.

(i) Non-current assets

Non-current assets increased by S\$364,000 or 6%, from S\$5.62 million as at 31 December 2021 to S\$5.98 million as at 31 December 2022, mainly due to increase in property, plant and equipment ("PPE"). PPE increased from S\$5.47 million as at 31 December 2021 to S\$5.89 million as at 31 December 2022, mainly due to purchase of property, plant and equipment of S\$1.93 million, partially offset by depreciation charges.

The Group's intangible assets decreased by S\$62,000 or 41%, from S\$152,000 as at 31 December 2021 to S\$90,000 as at 31 December 2022, mainly due to the amortisation of software.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group (cont'd)

2(b) Statement of financial position (cont'd)

(ii) Current assets

Current assets decreased by S\$4.95 million or 24%, from S\$20.24 million as at 31 December 2021 to S\$15.29 million as at 31 December 2022, mainly due to decrease in trade and other receivables, inventories and short-term financial instrument, partially offset by increase in cash and bank balances.

Inventories decreased by S\$1.56 million or 27%, from S\$5.80 million as at 31 December 2021 to S\$4.24 million as at 31 December 2022, mainly due to decrease in work-in-progress and finished goods as the Group fulfilled its order book and recognised them as revenue in FY2022. The decrease was partially offset by increase in raw materials acquired to put into production for the orders secured but yet to be delivered.

Trade and other receivables (Group) decreased by S\$3.35 million or 30%, from S\$11.36 million as at 31 December 2021 to S\$8.00 million as at 31 December 2022, mainly due to collections received from customers and disposal of one indirect subsidiary under the AP segment.

Trade and other receivables (Company) decreased by S\$486,000 or 20%, from S\$2.45 million as at 31 December 2021 to S\$1.96 million as at 31 December 2022, mainly due to repayment received from a subsidiary during FY2022.

Cash and bank balances increased by S\$307,000 or 16%, from S\$1.98 million as at 31 December 2021 to S\$2.28 million as at 31 December 2022. Please refer to Section 2(c) below on statement of cash flows for explanations on the increase in cash and bank balances of the Group.

Other investments which relate to investment in short-term capital protected investment with banks, decreased by S\$343,000 or 31%, from S\$1.10 million as at 31 December 2021 to S\$760,000 as at 31 December 2022, due to partial redemption of short-term financial instruments for working capital purposes.

(iii) Non-current liabilities

Non-current liabilities increased by S\$390,000 or 29% from S\$1.36 million as at 31 December 2021 to S\$1.75 million as at 31 December 2022, mainly due to increase in loans and borrowings, partially offset by decrease in deferred tax liabilities.

Loan and borrowings which comprised bank loans, finance leases and ROU liabilities increased by S\$437,000 or 38% from S\$1.16 million as at 31 December 2021 to S\$1.59 million as at 31 December 2022, mainly due to the increase in bank loan to finance the purchase of office premise, partially offset by repayment of bank loans made during FY2022 and decrease in lease liabilities.

Deferred tax liabilities decreased by S\$47,000 or 23%, from S\$202,000 as at 31 December 2021 to S\$155,000 as at 31 December 2022 as a result of utilisation of temporary differences during FY2022.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2 Review of performance of the Group (cont'd)

2(b) Statement of financial position (cont'd)

(iv) Current liabilities

Current liabilities decreased by S\$6.30 million or 36%, from S\$17.74 million as at 31 December 2021 to S\$11.44 million as at 31 December 2022, due to decrease in loans and borrowings, trade and other payables, contract liabilities and income tax payable.

Loans and borrowings decreased by S\$374,000 or 12%, from S\$3.01 million as at 31 December 2021 to S\$2.64 million as at 31 December 2022, mainly due to repayment of bank loans and lease liabilities during FY2022.

Trade and other payables decreased by S\$4.54 million or 35%, from S\$12.89 million as at 31 December 2021 to S\$8.35 million as at 31 December 2022, mainly due to settlement of trade and other payables and disposal of a subsidiary during FY2022.

Contract liabilities decreased by S\$1.20 million or 85%, from S\$1.42 million as at 31 December 2021 to S\$213,000 as at 31 December 2022, mainly due to decrease in repayment to customer and advanced payment from customers for on-going projects.

Income tax payable decreased by S\$186,000 or 44%, from S\$427,000 as at 31 December 2021 to S\$241,000 as at 31 December 2022, mainly due to reversal of prior year overprovision of current year income tax expense as a result of reduced tax rate for small enterprise applicable for FY2021 tax filing in FY2022.

(vi) Other reserves

Other reserves decreased by S\$426,000 or 4%, from negative S\$10.79 million as at 31 December 2021 to negative S\$11.22 million as at 31 December 2022, mainly due to the decrease in foreign currency translation reserve of S\$386,000. The decrease in foreign currency translation reserve was mainly due to depreciation of Renminbi against Singapore Dollar when translating assets and liabilities of foreign subsidiaries to Singapore Dollar as at 31 December 2022.

2(c) Statement of cash flows

Net cash of S\$2.19 million was generated from operating activities in FY2022. This was mainly due to (i) decrease in inventories of S\$1.07 million; (ii) decrease in trade and other receivables of S\$2.29 million, partially offset by (iii) decrease in trade and other payables of S\$3.48 million; (iv) decrease in contract liabilities of S\$1.15 million, and (v) profit before changes in working capital of S\$3.52 million.

Net cash of S\$799,000 was used in investing activities in FY2022. This was mainly due to purchase of property, plant and equipment of S\$686,000 and net cash outflow from disposal of a subsidiary of S\$390,000, partially offset by net proceeds from other investments of S\$286,000 during FY2022.

Net cash of S\$753,000 was used in financing activities in FY2022. This was mainly due to repayment of lease liabilities of S\$765,000, interest paid to financial institutions of S\$247,000, dividend paid to non-controlling interests of S\$41,000 and repayment of bank loans of S\$110,000, partially offset by proceeds from bank loans of S\$410,000 in FY2022.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

2(c) Statement of cash flows (cont'd)

As a result, the Group generated cash and cash equivalents of S\$642,000 in FY2022. The cash and cash equivalents as at 31 December 2022 amounted to S\$1.81 million, up from S\$1.15 million as at 1 January 2022.

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

The unaudited condensed interim financial statements for the full year ended 31 December 2022 set out in this announcement are in line with the profit guidance announcement released by the Company on 9 February 2023.

4 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

Following the lifting of travel restrictions by various countries, the Group saw general improvement in its sales order deliveries in both local markets and overseas markets. The manpower shortage faced by the Group's manufacturing plant in Malaysia has eased. However, the manpower costs have increased due to the increase of the minimum wage to RM1,500 for all workers in Malaysia.

As of to-date, the Group continues to feel the pressure from the impact of global semiconductor supply shortage. The global chips shortage prompted by the COVID-19 pandemic has snowballed and this ongoing crisis has resulted in raw materials supply disruption, especially for some components applied in the Group's clean room equipment. The adverse impact of supply shortage on key components in our clean room products could potentially affect the ability of the Group in securing future orders.

The Group will continue to maintain a cautious outlook in the next 12 months. The global economic growth remains challenging with uncertainties such as the Russia-Ukraine conflict and global high inflation. With the rising interest rates, the cost of business is expected to similarly increase. However, the recent steps that the People's Republic of China has taken to relax its zero-COVID 19 policies and border measures could be encouraging for businesses. To ensure long term sustainability, the Group will continue to exercise prudence and vigilance to safeguard its financial position.

As at 31 December 2022, the Group has current outstanding confirmed balance-of-works on hand of approximately S\$10.56 million.

5 Dividend information

5a. Current Financial Period Reported on

Any dividend recommended/declared for the current financial period reported on?

No dividend has been declared or recommended for FY2022. The Board of Directors deems it appropriate to conserve funds for the Group's business activities despite the Group's net profit position for FY2022.

EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

5 Dividend information (cont'd)

5b. Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

None.

5c. Date Payable

Not applicable.

5d. Record Date

Not applicable.

6 Interested person transactions (“IPTs”)

The Group had obtained a general mandate from shareholders for IPTs at the Company’s extraordinary general meeting held on 27 April 2018 and was last renewed at the Company’s annual general meeting held on 22 April 2022 (“IPT Mandate”). Please refer to the addendum to the 2021 annual report of the Company dated 7 April 2022 for further details on the IPT Mandate.

Below are the aggregate value of interested person transactions conducted under the IPT Mandate pursuant to Rule 920 that were more than S\$100,000 in FY2022.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		S\$'000	S\$'000
Weiye Holdings Limited (“Weiye”)	Controlling Shareholder of the Company	100 ⁽¹⁾	-
Henan Xingwei Zhuolian Property Co., Ltd. (subsidiary of Weiye)	Associate of Weiye, Controlling Shareholder of the Company	-	104 ⁽²⁾
Hangzhou Junwei Real Estate Co., Ltd. (subsidiary of Weiye)	Associate of Weiye, Controlling Shareholder of the Company	-	151 ⁽³⁾

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

6 Interested person transactions (“IPTs”) (cont'd)

Notes:

- (1) Relates to interest expense incurred on loan from Weiye Holdings Limited to the Company.
- (2) Relates to sale of smart home equipment and services.
- (3) Relates to sale of smart home equipment and services.

7 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings under Rule 720(1) of the Catalist Rules from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H of the Catalist Rules.

8 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(10) of the Catalist Rules

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

9 Disclosure pursuant to Rule 706A of the Catalist Rules

During FY2022, Eindec (Shenzhen) Environmental Technology Co., Ltd., a wholly-owned subsidiary of Eindec Holdings Pte. Ltd., which is a wholly-owned subsidiary of the Company, disposed its 51% equity interest in Henan Eindec Construction & Technology Co., Ltd (“**Henan Eindec**”), at a cash consideration of RMB1, to Construction Investment in Engineering Technology Co., Ltd. (a related corporation), which holds 40% equity interest in Henan Eindec (prior to the aforementioned disposal).

The consideration was arrived on a willing-buyer willing-seller basis, taking into account the net asset value of Henan Eindec.

Henan Eindec has been making losses. The net asset value represented by the 51% equity interest was S\$299 as at 28 December 2022 (date of disposal).

Following the disposal, Henan Eindec ceased to be a subsidiary of the Group. No announcement or shareholders’ approval is required for the aforementioned disposal pursuant to the Catalist Rules.

EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(F) Other information required pursuant to Appendix 7C of the Catalist Rules (cont'd)

9 Disclosure pursuant to Rule 706A of the Catalist Rules (cont'd)

Save for the above, the Group did not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary or associated company of the Group, or result in a change in the Group's shareholding percentage in a subsidiary or associated company during FY2022.

ORDER OF THE BOARD

EINDEC CORPORATION LIMITED

Zhang Wei

Executive Chairman and Chief Executive Officer

Singapore

24 February 2023