

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.

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Unaudited Condensed Interim Consolidated Financial Statements for the Six Months Ended 30 June 2024

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(Company Registration No. 201508913H)

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

	Note	Group		Change %
		1H2024	1H2023	
		(unaudited) S\$'000	(unaudited) S\$'000	
Revenue	4	4,996	7,763	(36)
Cost of sales		(3,180)	(5,547)	(43)
Gross profit		1,816	2,216	(18)
Other income		59	177	(67)
Administrative expenses		(2,132)	(2,218)	(4)
Other operating expenses		(6)	(21)	(71)
Results from operating activities		(263)	154	n.m.
Finance income		12	18	(33)
Finance cost		(146)	(167)	(13)
Net finance costs		(134)	(149)	(10)
(Loss)/Profit before income tax	6	(397)	5	n.m.
Income tax credit/(expense)	7	1	(66)	n.m.
Loss for the period		(396)	(61)	>100
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		23	(363)	n.m.
Total comprehensive loss for the period, net of tax		(373)	(424)	(12)
(Loss)/Income for the period attributable to:				
Equity holders of the Company		(364)	130	n.m.
Non-controlling interests		(32)	(191)	(83)
		(396)	(61)	>100
Total comprehensive loss for the period attributable to:				
Equity holders of the Company		(341)	(204)	67
Non-controlling interests		(32)	(220)	(85)
		(373)	(424)	(12)
(Loss)/Profit per share attributable to owners of the Company				
Basic and diluted ^[1] (S\$ cents)		(0.34)	0.12	n.m.

n.m. denotes not meaningful

[1] Basic (loss)/profit per share is calculated on the Group's (loss)/profit 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 (loss)/profit per share is calculated on the same basis as basic (loss)/profit per share as there were no dilutive potential ordinary shares in the respective periods.

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(B) Condensed interim statements of financial position

	Note	Group		Company	
		As at 30.6.2024 (unaudited) S\$'000	As at 31.12.2023 (audited) S\$'000	As at 30.6.2024 (unaudited) S\$'000	As at 31.12.2023 (audited) S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment ("PPE")	8	6,146	5,701	-	-
Intangible assets	9	31	51	-	-
Subsidiaries		-	-	9,300	9,300
Total non-current assets		6,177	5,752	9,300	9,300
Current assets					
Inventories		3,679	3,278	-	-
Trade and other receivables		4,297	3,951	1,337	1,540
Cash and bank balances		2,328	3,549	114	117
Other investments	11	213	300	-	-
Total current assets		10,517	11,078	1,451	1,657
Total assets		16,694	16,830	10,751	10,957
EQUITY AND LIABILITIES					
Capital, reserves and non-controlling interests					
Share capital	12	14,917	14,917	14,917	14,917
Reserves		(11,519)	(11,542)	-	-
Retained earnings/ (Accumulated losses)		3,227	3,591	(6,578)	(6,309)
Equity attributable to owners of the Company		6,625	6,966	8,339	8,608
Non-controlling interests		(90)	(58)	-	-
Total equity		6,535	6,908	8,339	8,608
Non-current liabilities					
Loans and borrowings	13	2,200	1,790	-	-
Deferred tax liabilities		187	187	-	-
Total non-current liabilities		2,387	1,977	-	-
Current liabilities					
Loans and borrowings	13	1,805	1,515	-	-
Trade and other payables		5,843	6,339	2,412	2,349
Contract liabilities		124	91	-	-
Total current liabilities		7,772	7,945	2,412	2,349
Total liabilities		10,159	9,922	2,412	2,349
Total equity and liabilities		16,694	16,830	10,751	10,957
Net asset value per ordinary share					
(S\$ cents)		6.15	6.47	7.74	7.99

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(C) Condensed interim statements of changes in equity

Group	Share capital	Merger reserve	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2024 (audited)	14,917	(9,138)	(2,589)	185	3,591	6,966	(58)	6,908
Loss for the period	-	-	-	-	(364)	(364)	(32)	(396)
<i>Other comprehensive income</i>								
Foreign currency translation differences from foreign operations	-	-	23	-	-	23	-	23
Total comprehensive loss for the period, net of tax	-	-	23	-	(364)	(341)	(32)	(373)
Balance at 30.6.2024 (unaudited)	14,917	(9,138)	(2,566)	185	3,227	6,625	(90)	6,535

Group	Share capital	Merger reserve	Translation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.1.2023 (audited)	14,917	(9,138)	(2,253)	174	3,388	7,088	992	8,080
Profit/(Loss) for the period	-	-	-	-	130	130	(191)	(61)
<i>Other comprehensive loss</i>								
Foreign currency translation differences from foreign operations	-	-	(334)	-	-	(334)	(29)	(363)
Total comprehensive loss for the period, net of tax	-	-	(334)	-	130	(204)	(220)	(424)
Balance at 30.6.2023 (unaudited)	14,917	(9,138)	(2,587)	174	3,518	6,884	772	7,656

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

	Share capital	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000
Balance at 1.1.2024 (audited)	14,917	(6,309)	8,608
Loss for the period, representing total comprehensive loss for the period	-	(269)	(269)
Balance at 30.6.2024 (unaudited)	14,917	(6,578)	8,339

	Share capital	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000
Balance at 1.1.2023 (audited)	14,917	(5,777)	9,140
Loss for the period, representing total comprehensive loss for the period	-	(278)	(278)
Balance at 30.6.2023 (unaudited)	14,917	(6,055)	8,862

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(D) Condensed interim consolidated statement of cash flows

	Group	
	1H2024	1H2023
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/Profit before tax	(397)	5
Adjustments for:		
Amortisation of intangible assets	20	20
Depreciation of property, plant and equipment	212	438
Gain on disposal of property, plant and equipment	(9)	-
Property, plant and equipment written off	-	5
Inventory written off	1	6
Interest expenses	146	167
Interest income	(12)	(18)
Effects of exchange rate changes	48	(77)
	9	546
Changes in working capital:		
- inventories	(391)	573
- trade and other receivables	(343)	219
- trade and other payables	(564)	(438)
- contract liabilities	33	(46)
Cash (used in)/generated from operations	(1,256)	854
Interest received	12	18
Tax paid	(39)	(14)
Net cash (used in)/generated from operating activities	(1,283)	858
Cash flows from investing activities		
Purchase of property, plant and equipment	(53)	(140)
Proceeds from disposal of property, plant and equipment	13	4
Net proceeds from other investments	106	345
Net cash generated from investing activities	66	209
Cash flows from financing activities		
Interest paid	(93)	(103)
Proceeds/(Repayment) from short-term financing loan	177	(575)
Principal payment of lease liabilities	(110)	(350)
Repayment of bank borrowings	(32)	(48)
Net cash used in financing activities	(58)	(1,076)

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

	Group	
	1H2024	1H2023
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Net decrease in cash and cash equivalents	(1,275)	(9)
Cash and cash equivalents at beginning of financial period	3,076	1,808
Effects of exchange rate changes on cash and cash equivalents	(6)	17
Cash and cash equivalents at end of financial period	1,795	1,816
Group		
Cash and cash equivalents as per statement of financial position comprising:		
Cash at bank	2,328	2,535
Bank overdraft	(533)	(719)
Cash and cash equivalents as per consolidated statement of cash flows	1,795	1,816

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

1 Corporate information

Indec 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 ended 30 June 2024 (“1H2024”, and for the corresponding six months ended 30 June 2023, “1H2023”) 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;
- (d) distribution and installation of cooling towers;
- (e) e-commerce trading; and
- (f) trading and distribution of food, agricultural and fishery products.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

2 Basis of Preparation

The unaudited condensed interim consolidated financial statements for 1H2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim consolidated 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 of the Group since the last audited annual consolidated financial statements of the Group for the financial year ended 31 December 2023 ("FY2023").

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 below.

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

2.1 New and amended standards adopted by the Group

The following standards have been issued and are relevant to the Group and the Company, but not yet effective:

		Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 1-1	<i>Effect of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture</i>	Deferred indefinitely, early application is still permitted

On 1 January 2024, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) that are mandatory for application for the financial period reported on. The adoption of the abovementioned standards is not expected to have any material impact on the financial statements of the Group and the Company in the period of initial application. The Group did not have to change its accounting policies or to make retrospective adjustments as a result of adopting those standards.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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(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

The preparation of the unaudited condensed interim consolidated 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 were applied to the audited consolidated financial statements of the Group as at and for FY2023.

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.

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:

- Impairment of non-financial assets, including property, plant and equipment and intangible asset;
- Depreciation of property, plant and equipment and amortisation of intangible asset;
- Valuation of trade receivables; and
- Valuation of inventories.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

In the preparation of unaudited condensed interim consolidated financial statements for 1H2024, there were no critical judgements that management made in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements.

3 Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

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”); and

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.

(iv) Others.

Others refers to (a) distribution and installation of cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore; and (b) e-commerce trading.

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 were no inter-segment sales within the Group in 1H2024 and 1H2023.

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

4 Segment and Revenue Information (cont'd)

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

4.1 Reportable Segments

	Group			
	Revenue		Segment results	
	1H2024 (unaudited)	1H2023 (unaudited)	1H2024 (unaudited)	1H2023 (unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
CRE	962	1,583	(231)	30
HVAC	3,571	4,851	327	569
AP	144	1,125	(226)	(564)
Others	319	204	(180)	(52)
	4,996	7,763	(310)	(17)
Unallocated items:				
Other income			57	177
Other operating expenses			(5)	(9)
Finance income			5	9
Finance cost			(144)	(155)
(Loss)/Profit before income tax			(397)	5
Income tax credit/(expense)			1	(66)
Loss after income tax			(396)	(61)
Segment assets (Group)				
			As at 30.6.2024	As at 31.12.2023
CRE			1,193	719
HVAC			2,574	2,687
AP			2,650	3,494
Others			205	36
Total segment assets			6,622	6,936
Unallocated assets [#]			10,072	9,894
Consolidated total assets			16,694	16,830
Segment liabilities (Group)				
CRE			148	90
HVAC			378	106
AP			1,950	2,327
Others			26	12
Total segment liabilities			2,502	2,535
Unallocated liabilities [^]			7,657	7,387
Consolidated total liabilities			10,159	9,922

[#] Unallocated assets are mainly related to a portion of the property, plant and equipment, inventories, working capital, 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 and the immediate holding company which are utilised by more than one segment of the Group.

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

4 Segment and Revenue Information (cont'd)

4.2 Reportable Segments (cont'd)

	Group					Total
	CRE	HVAC	AP	Others	Unallocated	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H2024 (unaudited)						
Group						
<i>Other segment information:</i>						
Amortisation of						
intangible assets	-	-	-	-	20	20
Depreciation of PPE	37	146	21	8	-	212
Inventory written off	-	1	-	-	-	1
Capital expenditure	-	618	-	-	54	672
1H2023 (unaudited)						
Group						
<i>Other segment information:</i>						
Amortisation of						
intangible assets	-	-	-	-	20	20
Depreciation of PPE	28	97	311	2	-	438
Inventory written off	-	6	-	-	-	6
Capital expenditure	-	-	27	-	523	550

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

4 Segment and Revenue Information (cont'd)

4.3 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.

Group	Group				Total S\$'000
	CRE S\$'000	HVAC S\$'000	AP S\$'000	Others S\$'000	
1H2024 (unaudited)					
Primary geographical markets					
Singapore	548	3,447	-	100	4,095
Malaysia	38	24	-	-	62
People's Republic of China	-	-	144	219	363
Indonesia	-	-	-	-	-
Philippines	307	92	-	-	399
Others	69	8	-	-	77
	962	3,571	144	319	4,996
Major products/ service line					
Sale of goods	685	3,571	144	319	4,719
Installation service	277	-	-	-	277
	962	3,571	144	319	4,996
Timing of revenue recognition					
At a point in time	962	3,571	144	319	4,996
1H2023 (unaudited)					
Primary geographical markets					
Singapore	693	4,806	-	203	5,702
Malaysia	184	3	-	-	187
People's Republic of China	-	-	1,125	-	1,125
Indonesia	77	-	-	-	77
Philippines	561	5	-	-	566
Others	68	38	-	-	106
	1,583	4,852	1,125	203	7,763
Major products/ service line					
Sale of goods	1,479	4,852	1,125	203	7,659
Installation service	104	-	-	-	104
	1,583	4,852	1,125	203	7,763
Timing of revenue recognition					
At a point in time	1,583	4,852	1,125	203	7,763

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

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).

The carrying amounts and fair values of financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023, including their levels in the fair value hierarchy are as follows:

	Carrying amount			Total	Fair value Level 2 S\$'000
	Amortised cost S\$'000	Fair value through profit or loss S\$'000	Other financial liabilities S\$'000		
Group					
30.6.2024 (unaudited)					
Trade and other receivables	3,994	-	-	3,994	-
Cash and cash equivalents	2,328	-	-	2,328	-
Other investments	-	213	-	213	213
	6,322	213	-	6,535	
Loan and borrowings	-	-	(4,005)	(4,005)	-
Trade and other payables	-	-	(5,843)	(5,843)	-
	-	-	(9,848)	(9,848)	
31.12.2023 (audited)					
Trade and other receivables	3,732	-	-	3,732	-
Cash and cash equivalents	3,549	-	-	3,549	-
Other investments	-	300	-	300	300
	7,281	300	-	7,581	
Loan and borrowings	-	-	(3,305)	(3,305)	-
Trade and other payables	-	-	(6,339)	(6,339)	-
	-	-	(9,644)	(9,644)	
Company					
30.6.2024 (unaudited)					
Trade and other receivables	1,330	-	-	1,330	-
Cash and cash equivalents	114	-	-	114	-
	1,444	-	-	1,444	
Trade and other payables	-	-	(2,412)	(2,412)	-
31.12.2023 (audited)					
Trade and other receivables	1,529	-	-	1,529	-
Cash and cash equivalents	117	-	-	117	-
	1,646	-	-	1,646	
Trade and other payables	-	-	(2,349)	(2,349)	-

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

6 (Loss)/Profit Before Taxation

6.1 Significant Items

	Group		Change %
	1H2024	1H2023	
	(unaudited) S\$'000	(unaudited) S\$'000	
Income			
Government grants			
- Current year	42	25	68
Gain on disposal of property, plant and equipment	9	-	n.m.
Net foreign exchange gains	-	132	n.m.
Expenses			
Amortisation of intangible assets	20	20	-
Depreciation of property, plant and equipment ⁽¹⁾	212	438	(52)
Employee benefits expense	2,131	2,247	(5)
Inventory written off	1	6	(83)
Net foreign exchange losses	6	-	n.m.
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	1,805	3,773	(52)
Research and development	6	37	(84)
Property, plant and equipment written off	-	5	n.m.
Short-term and low value leases expenses	13	15	(13)

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

n.m. denotes not meaningful

6.2 Related Party Transactions

	Group	
	1H2024	1H2023
	(unaudited) S\$'000	(unaudited) S\$'000
Expenses/(Income)		
<i>Immediate and ultimate holding company</i>		
- Interest expenses paid/payable	53	60
- Shared services income received/receivable	(6)	(6)
<i>Non-controlling shareholders</i>		
- Rental paid/payable	-	310
- Sales	-	776

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EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

7 Income Tax Expense

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

	Group	
	1H2024 (unaudited) S\$'000	1H2023 (unaudited) S\$'000
Current tax credit/(expense)		
- Current year	1	(66)

8 Property, Plant and Equipment

During the financial period ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of S\$0.67 million (30 June 2023: S\$0.55 million) of which S\$0.05 million (30 June 2023: S\$0.14 million) was paid in cash and S\$0.62 million (30 June 2023: S\$0.41 million) was acquired by means of lease liabilities.

8.1 Valuation of Freehold Land and Building ("Property assets")

The management undertook their half year review of the carrying amounts of the Group's 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 the comparison method and the depreciated replacement cost method of valuation to determine the fair value of the Group's Property assets.

On 30 June 2024, the Group has reviewed the fair value of the Group's Property assets for financial reporting purposes, which has been determined based on the Group's Property assets' highest and best use. Management has assessed that the recoverable amount of the Group's Property assets is above its carrying value, and concluded that the Group's Property assets are not impaired.

9 Intangible assets

Intangible assets comprise computer software. During the six months ended 30 June 2024 and 30 June 2023, the Group did not have additions to intangible assets.

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EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

10 Impairment loss on non-financial assets

The Group has identified two cash-generating-units (“CGU”), being the North Asia CGU and the South Asia CGU.

During the financial period ended 30 June 2024, management has assessed that the recoverable amount of the South Asia CGU and North Asia CGU are above the carrying value of its net assets and management concluded that its non-financial assets are not impaired.

11 Other Investments

	Group	
	As at 30.6.2024 (unaudited) S\$'000	As at 31.12.2023 (audited) S\$'000
Debt investments at fair value through profit or loss (“FVTPL”)	213	300

Debt investments at FVTPL have variable returns of 2.73% (31 December 2023: 2.11%) per annum.

12 Share Capital

	Group and Company			
	As at 30.6.2024 (unaudited) No. of shares	As at 31.12.2023 (audited) S\$'000	As at 30.6.2024 (unaudited) No. of shares	As at 31.12.2023 (audited) 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 30 June 2024, 31 December 2023 and 30 June 2023.

The Company’s subsidiaries do not hold any shares in the Company as at 30 June 2024, 31 December 2023 and 30 June 2023.

The Company did not have any outstanding options and convertible securities as at 30 June 2024, 31 December 2023 and 30 June 2023.

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EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

13 Loans and borrowings

	Group	
	As at 30.6.2024 (unaudited) S\$'000	As at 31.12.2023 (audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
<u>Secured</u>		
- Bank overdrafts	533	473
- Bankers' acceptance	864	683
- Term Loan 1	27	27
- Term Loan 3	41	32
- Lease Liabilities	340	300
	1,805	1,515
<u>Amount repayable after one year</u>		
<u>Secured</u>		
- Term Loan 1	324	337
- Term Loan 3	1,075	1,103
- Lease Liabilities	801	350
	2,200	1,790

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.

14 Subsequent events

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

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

OTHER INFORMATION

1 Review

The condensed interim consolidated statement of financial position of Eindec Corporation Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity, and condensed interim consolidated statement of cash flows for the six month period ended and the explanatory notes have not been audited or reviewed by the Company's auditors.

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 Company and the Group for the financial year ended 31 December 2023 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

2 Review of performance of the Group

2(a) Income Statement

(i) Revenue, cost of sales and gross profit

The Group reported a decline in revenue of S\$2.77 million or 36%, from S\$7.76 million for 1H2023 to S\$5.00 million in 1H2024, from three major business segments of the Group (being, HVAC, CRE and AP). Please refer to Section E, Note 4.1 of this announcement for information on the breakdown of revenue for each business segment.

The Group has expanded its business activities to include trading and distribution of food, agricultural and fishery products during 1H2024. However, this business activity has yet to generate any revenue during 1H2024.

1. Revenue from the HVAC segment reported a decrease of S\$1.28 million or 26%, from S\$4.85 million in 1H2023 to S\$3.57 million in 1H2024. The Group's HVAC products are mainly supplied to projects relating to construction of buildings in Singapore. Market sentiment in the construction and property development industry remained cautious amid the high interest rate environment that continues to push up costs. This cautious sentiment directly impacts the demand for HVAC products, which are essential for new and ongoing property development projects. The decrease in construction output compared to 1H2023 indicates a slowdown in the volume of construction activities.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

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

2. The CRE segment reported a decrease in revenue by S\$0.62 million or 39%, from S\$1.58 million in 1H2023 to S\$0.96 million in 1H2024. The decline was primarily due to economic uncertainty and reduced production requirements in key industries in the South East Asian markets, including Malaysia, Phillipines and Vietnam. The slowdown in production activities resulted in lower investments in the sectors such as biotechnology and electronics that rely on cleanroom technology.
3. Revenue from the AP segment decreased by S\$0.98 million or 87%, from S\$1.13 million in 1H2023 to S\$0.14 million in 1H2024. AP products such as air purification equipment and smart home equipment are supplied to use for residential or commercial purpose. China's economy has been slowing down, influenced by multiple factors including reduced domestic demand, weaker consumer confidence, and slower industrial output. Lower consumer spending and reduced domestic demand for goods and services have indirectly impacted AP segment, resulting in decrease in sales and revenue.

Corresponding to the decline in the Group's revenue, costs for raw materials, changes in finished goods and work-in-progress also decreased. As a result, cost of sales decreased by S\$2.37 million, from S\$5.55 million in 1H2023 to S\$3.18 million in 1H2024.

During 1H2024, the Group recognised an inventory write off of S\$1,000 (1H2023: S\$6,000), which were both recognised under "cost of sales".

As a result of the above, the Group's gross profit decreased from S\$2.22 million in 1H2023 to S\$1.82 million in 1H2024, while the Group's gross profit margin improved marginally, from 29% in 1H2023 to 36% in 1H2024.

(ii) Administrative expenses

Employee benefits expense (recognised under administrative expenses and cost of sales) decreased by S\$0.12 million, from S\$2.25 million in 1H2023 to S\$2.13 million in 1H2024, mainly due to a slight decrease in the number of employees.

Depreciation expense (recognised under administrative expenses and cost of sales) decreased by S\$0.23 million, from S\$0.44 million in 1H2023 to S\$0.21 million in 1H2024, mainly due to decrease in right-of-use ("ROU") assets resulting from the disposal of subsidiary company, Henan Yunzhi Security Technology Co., Ltd in December 2023, which resulted in lower depreciation expense.

(iii) Other income

Other income decreased from S\$0.18 million in 1H2023 to S\$0.06 million in 1H2024, mainly due to a foreign exchange loss of S\$6,000 resulting from depreciation of Singapore Dollar against Malaysia Ringgit in 1H2024, as compared to a foreign exchange gain of S\$132,000 in 1H2023.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

(iv) Other operating expenses

Other operating expenses decreased by S\$0.01 million, from S\$0.02 million in 1H2023 to S\$0.01 million in 1H2024. It mainly consisted of a foreign exchange loss of S\$6,000.

(v) Finance income

Finance income decreased from S\$18,000 in 1H2023 to S\$12,000 in 1H2024, mainly due to lower principal amount invested in fixed deposits and short-term investment product with banks, as well as a decrease in interest rate yield.

(vi) Finance costs

Finance costs decreased from S\$167,000 in 1H2023 to S\$146,000 in 1H2024. The total financing activities during 1H2024 were lower in comparison to 1H2023. As a result, lower financing cost was incurred.

(vii) Income tax credit/(expenses)

Income tax credit for 1H2024 was S\$1,000, as compared to a tax expense of S\$66,000 in 1H2023, due to the Group being in a loss position in 1H2024. The Group's income tax expense is subject to the statutory tax rates of the respective countries that the Company's subsidiaries operate in.

(viii) Loss for the period

As a result of the aforementioned, the Group reported net loss of S\$0.40 million in 1H2024 (S\$0.06 million in 1H2023).

2(b) Statement of financial position

(i) Non-current assets

Non-current assets increased by S\$0.43 million or 7%, from S\$5.75 million as at 31 December 2023 to S\$6.18 million as at 30 June 2024.

PPE amounted to S\$6.15 million as at 30 June 2024, an increase of S\$0.45 million from 31 December 2023. The increase was mainly due to (i) an exchange difference of S\$0.01 million arising from translation, (ii) the purchase of motor vehicles of S\$0.22 million, and (iii) ROU assets of S\$0.40 million arising from tenancy renewal, partially offset by (a) depreciation charges of ROU assets and PPE amounting to S\$0.11 million and S\$0.10 million, and (b) termination of ROU assets totaling S\$0.02 million arising from termination of tenancy.

(ii) Current assets

Current assets decreased by S\$0.56 million or 5%, from S\$11.08 million as at 31 December 2023 to S\$10.52 million as at 30 June 2024.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

(ii) Current assets (cont'd)

Inventories increased by S\$0.40 million or 12%, from S\$3.28 million as at 31 December 2023 to S\$3.68 million as at 30 June 2024. The increase was a strategic decision to stock up on raw material to meet minimum order quantity, taking advantage of cost savings before anticipated price increase, and purchase of special materials according to customer's specification.

Other investments, which relate to investment in short-term capital protected investment with banks, decreased by S\$0.09 million or 29%, from S\$0.30 million as at 31 December 2023 to S\$0.21 million as at 30 June 2024, due to partial redemption of short-term financial instruments for working capital purpose.

Trade and other receivables increased by S\$0.35 million or 9%, from S\$3.95 million as at 31 December 2023 to S\$4.30 million as at 30 June 2024, mainly attributable to upfront payment paid to suppliers and supplies waiting to be received.

Cash and bank balances decreased from S\$3.55 million as at 31 December 2023 to S\$2.33 million as at 30 June 2024. Please refer to Section F, Note 2(c) below on statement of cash flows for explanations on the decrease in cash and cash equivalents of the Group.

(iii) Non-current liabilities

Non-current liabilities increased by S\$0.41 million or 21%, from S\$1.98 million as at 31 December 2023 to S\$2.39 million as at 30 June 2024, mainly due to increase in loans and borrowings.

Loans and borrowings, which comprised term loan, finance leases and ROU liabilities, increased from S\$1.79 million as at 31 December 2023 to S\$2.20 million as at 30 June 2024. This increase was mainly due to finance leases related to the purchase of motor vehicles and ROU liabilities arising from renewals of tenancy.

(iv) Current liabilities

Current liabilities decreased by S\$0.17 million or 2%, from S\$7.94 million as at 31 December 2023 to S\$7.77 million as at 30 June 2024, mainly due to decrease in trade and other payables, partially offset by increase in loans and borrowings and contract liabilities.

Loans and borrowings increased from S\$1.52 million as at 31 December 2023 to S\$1.81 million as at 30 June 2024, mainly due to (i) increase in bank overdraft and banker acceptance amounted to S\$0.24 million, which were used as working capital to bridge the gap between supplier payments and customer receipts, and (ii) lease liabilities arising from tenancy renewals and purchase of motor vehicles under finance leases.

Trade and other payables decreased by S\$0.50 million or 8%, from S\$6.34 million as at 31 December 2023 to S\$5.84 million as at 30 June 2024, mainly due to settlement of trade and other payables.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

(iv) Current liabilities (cont'd)

Contract liabilities increased by S\$0.03 million or 36%, from S\$0.09 million as at 31 December 2023 to S\$0.12 million as at 30 June 2024, mainly due to increase in advanced payment from customers for on-going projects. The advanced payment recorded in previous financial year had been recognised as revenue as the Group progressed to fulfill the order book in 1H2024.

(v) Working Capital

As at 30 June 2024, the Group recorded positive working capital of S\$2.75 million (31 December 2023: S\$3.13 million), and a net asset value per share of 6.15 Singapore cents (31 December 2023: 6.47 Singapore cents).

2(c) Statement of cash flows

Net cash used in operating activities in 1H2024 was S\$1.28 million. This was mainly due to (i) decrease in inventories of S\$0.39 million, and (ii) decrease in trade and other receivables of S\$0.34 million, and (iii) decrease in trade and other payables of S\$0.56 million, partially offset by (a) profit before changes in working capital of S\$0.01 million, and (b) increase in contract liabilities of S\$0.03 million.

Net cash generated from investing activities in 1H2024 was S\$0.05 million, mainly due to redemption of short-term capital protected investments of S\$0.09 million, partially offset by purchase of property, plant and equipment of S\$0.05 million.

Net cash used in financing activities in 1H2024 was S\$0.06 million, due to (i) repayment of lease liabilities of S\$0.11 million, (ii) interest paid to financial institutions of S\$0.09 million, and (iii) repayment of bank loan of S\$0.03 million, partially offset by proceeds from short-term financing loan of S\$0.17 million.

As a result, the Group utilised cash and cash equivalents of S\$1.28 million in 1H2024 and recorded a cash and cash equivalents of S\$1.80 million as at 30 June 2024.

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

No forecast or prospect statement has been previously disclosed to shareholders.

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

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

In the first half of FY2024, the Group's key business segments in clean air environmental technology solutions for the real estate industry were further hampered by continuous geopolitical uncertainty, a cautious business environment, and rising inflationary pressure. While the planned expansion into agricultural and fisheries products trading in China is intended to improve the Group's financial performance, it will take time and effort to yield results.

The cleanroom sector in Southeast Asia, which is facing a slowdown in the semiconductor market, continues to see significant investment in electronics and pharmaceuticals. However, the competition in the construction space of the cleanroom sector, where the Group offers clean air and HVAC solutions, remains intense ⁽¹⁾.

In April 2024, the International Monetary Fund ("IMF") maintained Singapore's 2024 growth forecast of 2.1% while decreasing its GDP growth forecast for 2025 to 2.3%. The IMF has also increased China's 2024 growth forecast from 4.2% to 4.6%. However, it was emphasized that one of the most serious risks to Asia's economy is a prolonged property sector correction in China ⁽²⁾.

The Group will continue to manage its business operations in both Singapore and China prudently as it simultaneously seeks business opportunities to strengthen its fundamentals amidst the macro challenges.

The Group will update shareholders on any material developments as and when they arise.

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 1H2024 as the Group recorded net loss for 1H2024.

5b. Corresponding Period of the Immediately Preceding Financial Year

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

None.

Sources:

(1) <https://cleanroomtechnology.com/market-report-southeast-asia>

(2) <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

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)

5c. Date Payable

Not applicable.

5d. Record Date

Not applicable.

6 Interested person transactions (“IPTs”)

No general mandate for IPTs has been obtained from shareholders.

There were no IPTs conducted under the IPT Mandate pursuant to Rule 920 that were more than S\$100,000 in 1H2024.

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)

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 Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial statements of the Group for the six-month period ended 30 June 2024 to be false or misleading in any material aspect.

9 Disclosure pursuant to Rule 706A of the Catalist Rules

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 1H2024.

ORDER OF THE BOARD

EINDEC CORPORATION LIMITED

Zhang Wei
Executive Chairman and Chief Executive Officer

Singapore
8 August 2024