

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					
		2H2023	2H2022	Change	FY2023	FY2022	Change
		(unaudited)	(unaudited)		(unaudited)	(audited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%		
Revenue	4	8,132	12,494	(35)	15,895	25,876	(39)
Cost of sales		(5,863)	(9,778)	(40)	(11,410)	(19,457)	(41)
Gross profit		2,269	2,716	(16)	4,485	6,419	(30)
Other income		94	14	>100	271	181	50
Administrative expenses		(2,211)	(2,002)	10	(4,429)	(4,148)	7
Expected credit loss on trade receivables		(104)	(90)	16	(104)	(90)	16
Other operating expenses		(3)	(84)	(96)	(24)	(220)	(89)
Results from operating activities		45	554	(92)	199	2,142	(91)
Finance income		7	12	(42)	25	23	9
Finance costs		(148)	(215)	(31)	(315)	(352)	(11)
Net finance costs		(141)	(203)	(31)	(290)	(329)	(12)
(Loss)/Profit before income tax	6	(96)	351	n.m.	(91)	1,813	n.m.
Income tax credit/(expense)	7	4	176	(98)	(62)	114	n.m.
(Loss)/Profit for the period/year		(92)	527	n.m.	(153)	1,927	n.m.
Other comprehensive income/(loss)							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Foreign currency translation differences from foreign operations		28	(302)	n.m.	(335)	(565)	(41)
Total comprehensive (loss)/income for the period/year, net of tax		(64)	225	n.m.	(488)	1,362	n.m.
(Loss)/Income for the period/year attributable to:							
Equity holders of the Company		84	352	(76)	214	1,616	(87)
Non-controlling interests		(176)	175	n.m.	(367)	311	n.m.
		(92)	527	n.m.	(153)	1,927	n.m.
Total comprehensive (loss)/income for the period/year attributable to:							
Equity holders of the Company		82	120	(32)	(122)	1,140	n.m.
Non-controlling interests		(146)	105	n.m.	(366)	222	n.m.
		(64)	225	n.m.	(488)	1,362	n.m.
Profit per share attributable to owners of the Company							
Basic and diluted ^[1]		0.08	0.33	(76)	0.20	1.50	(87)

n.m. denotes not meaningful

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

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

4 Segment and Revenue Information (cont'd)

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 FY2023.

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

4.1 Reportable Segments

Segments	Group			
	Revenue		Segments results	
	2H2023	2H2022	2H2023	2H2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
CRE	749	1,327	(161)	(190)
HVAC	5,048	4,850	587	844
AP	2,139	6,151	(252)	(29)
Others	196	166	34	6
	8,132	12,494	208	631
Unallocated items:				
Other income			(601)	12
Other operating expenses			(108)	(162)
Finance income			9	3
Finance cost			(144)	(133)
(Loss)/Profit before income tax			(956)	351
Income tax credit			4	176
(Loss)/Profit after income tax			(921)	527

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(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)

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

As a result, the Group's gross profit decreased from S\$2.72 million in 2H2022 to S\$2.27 million in 2H2023, while the Group's gross profit margin improved from 22% in 2H2022 to 28% in 2H2023, mainly due to a favorable product mix, enhanced cost control measures, and a reduction in material costs incurred during production.

FY2023 vs FY2022

	Revenue		
	FY2023	FY2022	Change
	(unaudited)	(audited)	
	S\$'000	S\$'000	%
CRE	2,332	7,032	(67)
HVAC	9,899	8,313	19
AP	3,264	10,315	(68)
Others	400	216	85
	15,895	25,876	(39)54

The Group reported a decline in revenue of S\$9.98 million or 39%, from S\$25.88 million in FY2022 to S\$15.90 million in FY2023, mainly due to the following:

- (1) The CRE segment reported a decrease in revenue by S\$4.70 million or 67%, from S\$7.03 million in FY2022 to S\$2.33 million in FY2023. The decrease was largely attributed to the volatile global economic conditions. Moreover, the sales of CRE products are predominantly in Southeast Asia, which were significantly impacted in 2023 due to reduced industrial activity across various sectors as businesses opted to curtail capital expenditure and postpone projects to later timeline.
- (2) Revenue from the HVAC segment increased by S\$1.59 million or 19%, from S\$8.31 million in FY2022 to S\$9.90 million in FY2023. The increase was primarily attributed to heightened demand spurred by private sector developments. HVAC products are primarily catered to projects associated with mixed-used properties and industrial facilities such as hospitals, commercial buildings and car parks in Singapore.
- (3) The AP segment reported a decrease in revenue by S\$7.05 million or 68%, from S\$10.32 million in FY2022 to S\$3.26 million in FY2023. Amidst the bleak property conditions, which encompass both residential and commercial development in China, consumers are exhibiting caution in their spending habits. This cautious approach has resulted in subdued demand for the Group's AP products. This trend is further evidenced by a number of projects experiencing delays in completion, reductions in order sizes, and budget cuts.
- (4) Other segment reported an increase by S\$184,000 or 85%, from S\$216,000 in FY2022 to S\$400,000 in FY2023. The revenue from distribution of cooling towers was S\$273,000 and S\$127,000 from e-commerce trading in FY2023. E-commerce trading business segment was newly established during FY2023, with its supplies targeted primarily in China.