

# EINDECKYODO

英德集团

**EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES**

**(Company Registration No. 201508913H)**

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This announcement has been prepared by Eindex 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.

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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 2023**

# EINDECKYODO

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## 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)
<b>Gross profit</b>		<b>2,269</b>	<b>2,716</b>	<b>(16)</b>	<b>4,485</b>	<b>6,419</b>	(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)
<b>Results from operating activities</b>		<b>45</b>	<b>554</b>	(92)	<b>199</b>	<b>2,142</b>	(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)
<b>(Loss)/Profit before income tax</b>	6	<b>(96)</b>	<b>351</b>	n.m.	<b>(91)</b>	<b>1,813</b>	n.m.
Income tax credit/(expense)	7	4	176	(98)	(62)	114	n.m.
<b>(Loss)/Profit for the period/year</b>		<b>(92)</b>	<b>527</b>	n.m.	<b>(153)</b>	<b>1,927</b>	n.m.
<b>Other comprehensive income/(loss)</b>							
<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)
<b>Total comprehensive (loss)/income for the period/year, net of tax</b>		<b>(64)</b>	<b>225</b>	n.m.	<b>(488)</b>	<b>1,362</b>	n.m.
<b>(Loss)/Income for the period/year attributable to:</b>							
Equity holders of the Company		84	352	(76)	214	1,616	(87)
Non-controlling interests		(176)	175	n.m.	(367)	311	n.m.
		<b>(92)</b>	<b>527</b>	n.m.	<b>(153)</b>	<b>1,927</b>	n.m.
<b>Total comprehensive (loss)/income for the period/year attributable to:</b>							
Equity holders of the Company		82	120	(32)	(122)	1,140	n.m.
Non-controlling interests		(146)	105	n.m.	(366)	222	n.m.
		<b>(64)</b>	<b>225</b>	n.m.	<b>(488)</b>	<b>1,362</b>	n.m.
<b>Profit per share attributable to owners of the Company</b>							
Basic and diluted <sup>[1]</sup>		<b>0.08</b>	<b>0.33</b>	(76)	<b>0.20</b>	<b>1.50</b>	(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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## 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
		31.12.2023 (unaudited) S\$'000	31.12.2022 (audited) S\$'000	31.12.2023 (unaudited) S\$'000	31.12.2022 (audited) S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	5,701	5,892	-	-
Intangible assets	9	51	90	-	-
Subsidiaries		-	-	9,300	9,300
<b>Total non-current assets</b>		<b>5,752</b>	<b>5,982</b>	<b>9,300</b>	<b>9,300</b>
<b>Current assets</b>					
Inventories	11	3,278	4,236	-	-
Trade and other receivables	12	3,951	8,008	1,540	1,959
Cash and bank balances		3,549	2,284	117	116
Other investments	13	300	760	-	-
<b>Total current assets</b>		<b>11,078</b>	<b>15,288</b>	<b>1,657</b>	<b>2,075</b>
<b>Total assets</b>		<b>16,830</b>	<b>21,270</b>	<b>10,957</b>	<b>11,375</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	15	14,917	14,917	14,917	14,917
Other reserves		(11,542)	(11,217)	-	-
Retained earnings / (Accumulated losses)		3,591	3,388	(6,309)	(5,777)
Equity attributable to owners of the Company		6,966	7,088	8,608	9,140
Non-controlling interests		(58)	992	-	-
<b>Total equity</b>		<b>6,908</b>	<b>8,080</b>	<b>8,608</b>	<b>9,140</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	14	1,790	1,594	-	-
Deferred tax liabilities		187	155	-	-
<b>Total non-current liabilities</b>		<b>1,977</b>	<b>1,749</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Loans and borrowings	14	1,515	2,635	-	-
Trade and other payables		6,339	8,352	2,349	2,235
Contract liabilities		91	213	-	-
Income tax payable		-	241	-	-
<b>Total current liabilities</b>		<b>7,945</b>	<b>11,441</b>	<b>2,349</b>	<b>2,235</b>
<b>Total liabilities</b>		<b>9,922</b>	<b>13,190</b>	<b>2,349</b>	<b>2,235</b>
<b>Total equity and liabilities</b>		<b>16,830</b>	<b>21,270</b>	<b>10,957</b>	<b>11,375</b>
<b>Net asset value per ordinary share</b>					
<b>(S\$ cents)</b>		<b>6.47</b>	<b>6.58</b>	<b>7.99</b>	<b>8.49</b>

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(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
<b>Balance at 1.1.2023 (audited)</b>	<b>14,917</b>	<b>(9,138)</b>	<b>(2,253)</b>	<b>174</b>	<b>3,388</b>	<b>7,088</b>	<b>992</b>	<b>8,080</b>
Profit/(Loss) for the year	-	-	-	-	214	214	(367)	(153)
Other comprehensive (loss)/income								
Foreign currency translation differences from foreign operations	-	-	(336)	-	-	(336)	1	(335)
Total comprehensive (loss)/income for the year, net of tax	-	-	(336)	-	214	(122)	(366)	(488)
Capital contribution by non-controlling shareholders	-	-	-	-	-	-	11	11
Disposal of a subsidiary	-	-	-	-	-	-	(695)	(695)
Transfer to statutory reserve	-	-	-	11	(11)	-	-	-
<b>Balance at 31.12.2023 (unaudited)</b>	<b>14,917</b>	<b>(9,138)</b>	<b>(2,589)</b>	<b>185</b>	<b>3,591</b>	<b>6,966</b>	<b>(58)</b>	<b>6,908</b>

	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
<b>Balance at 1.1.2022 (audited)</b>	<b>14,917</b>	<b>(9,138)</b>	<b>(1,777)</b>	<b>124</b>	<b>1,822</b>	<b>5,948</b>	<b>811</b>	<b>6,759</b>
Profit for the year	-	-	-	-	1,616	1,616	311	1,927
Other comprehensive loss								
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)	-	-	-
<b>Balance at 31.12.2022 (audited)</b>	<b>14,917</b>	<b>(9,138)</b>	<b>(2,253)</b>	<b>174</b>	<b>3,388</b>	<b>7,088</b>	<b>992</b>	<b>8,080</b>

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## 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 1.1.2023 (audited)	14,917	(5,777)	9,140
Loss for the year, representing total comprehensive loss for the year	-	(532)	(532)
Balance at 31.12.2023 (unaudited)	14,917	(6,309)	8,608

	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 (audited)	14,917	(5,777)	9,140

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## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

### (D) Condensed interim consolidated statement of cash flows

	Group	
	FY2023 (unaudited)	FY2022 (audited)
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
<b>(Loss)/Profit before tax</b>	<b>(91)</b>	<b>1,813</b>
<i>Adjustments for:</i>		
Amortisation of intangible assets	39	71
Expected credit loss on trade receivables, net	104	90
Depreciation of property, plant and equipment	763	953
Gain on disposal of a subsidiary	(53)	-
Impairment loss on property, plant and equipment	-	78
Property, plant and equipment written off	5	4
Inventory written off	10	125
Allowance for inventory obsolescence	-	55
Gain on lease modification	(6)	-
Interest expenses	315	352
Interest income	(25)	(23)
Unrealised foreign exchange (gain)/loss	(20)	1
	<b>1,041</b>	<b>3,519</b>
<b>Changes in working capital:</b>		
Inventories	630	1,067
Trade and other receivables	95	2,293
Trade and other payables	852	(3,479)
Contract liabilities	(35)	(1,147)
<b>Cash generated from operations</b>	<b>2,583</b>	<b>2,253</b>
Interest received	25	5
Tax paid	(48)	(64)
<b>Net cash generated from operating activities</b>	<b>2,560</b>	<b>2,194</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(166)	(686)
Proceeds from disposal of plant and equipment	7	-
Net cash outflow from disposal of a subsidiary	(5)	(390)
Purchase of intangible assets	-	(9)
Net proceeds from other investments	459	286
<b>Net cash generated from/(used in) investing activities</b>	<b>295</b>	<b>(799)</b>

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## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

	Group	
	FY2023	FY2022
	(unaudited)	(audited)
	S\$'000	S\$'000
<b>Cash flows from financing activities</b>		
Capital contribution from non-controlling interests	11	-
Interest paid	(201)	(247)
Principal payment of lease liabilities	(578)	(765)
Proceeds from bank borrowings	-	410
Repayment of bank borrowings	(823)	(110)
Dividend paid to non-controlling interests	-	(41)
<b>Net cash used in financing activities</b>	<b>(1,591)</b>	<b>(753)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,264</b>	<b>642</b>
Cash and cash equivalents at the beginning of the financial year	1,808	1,148
Effect of exchange rate changes on cash and cash equivalents	4	18
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,076</b>	<b>1,808</b>
<b>Group</b>		
<b>Cash and cash equivalents as per statement of financial position comprising:</b>		
Cash at bank	3,549	2,284
Bank overdraft	(473)	(476)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>3,076</b>	<b>1,808</b>

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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### (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 2023 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; and
- (e) e-commerce trading.

#### 2 Basis of preparation

The unaudited condensed interim consolidated financial statements for the six months (“**2H2023**”) and full year ended 31 December 2023 (“**FY2023**”) 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 since the last unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023.

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.



### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

#### 2 Basis of preparation (cont'd)

##### 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>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 7	<i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 16	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1	<i>Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
SFRS(I) 10 and SFRS(I) 1-28	<i>Amendments to SFRS(I) 10 and SFRS(I) 1-28 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 2023, 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.

##### 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 as at and for the full year ended 31 December 2022 ("FY2022").

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:

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

#### 2 Basis of preparation (cont'd)

##### 2.2 Use of judgements and estimates (cont'd)

- Note 10 - Impairment of non-financial assets, including property, plant and equipment and intangible assets;
- Notes 8 and 9 - Depreciation of property, plant and equipment and amortisation of intangible assets;
- 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 reported on.

#### 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 cooling towers which is complementary to the heating ventilation and air-conditioning products in Singapore, and e-commerce trading in China.

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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
	<b>8,132</b>	<b>12,494</b>	<b>208</b>	<b>631</b>
<b>Unallocated items:</b>				
Other income			(61)	12
Other operating expenses			(108)	(162)
Finance income			9	3
Finance cost			(144)	(133)
(Loss)/Profit before income tax			(96)	351
Income tax credit			4	176
<b>(Loss)/Profit after income tax</b>			<b>(92)</b>	<b>527</b>



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### (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)

# 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.

	Group					Total S\$'000
	CRE	HVAC	AP	Others	Unallocated	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b><u>2H2023 (unaudited)</u></b>						
<i>Other segment information:</i>						
Expected credit loss/(Reversal of credit loss) on trade receivables	-	120	-	-	(16)	104
Amortisation of intangible assets	-	-	-	-	19	19
Depreciation of PPE	18	130	177	-	-	325
Inventory written off	-	4	-	-	-	4
Capital expenditure	-	-	153	-	138	291
<b><u>2H2022 (unaudited)</u></b>						
<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
<b><u>FY2023 (unaudited)</u></b>						
<i>Other segment information:</i>						
Expected credit loss/(Reversal of credit loss) on trade receivables	-	120	-	-	(16)	104
Amortisation of intangible assets	-	-	-	-	39	39
Depreciation of PPE	46	227	488	2	-	763
Inventory written off	-	10	-	-	-	10
Capital expenditure	-	-	180	-	661	841
<b><u>FY2022 (audited)</u></b>						
<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

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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)

#### 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	
<b><u>FY2022 (audited)(cont'd)</u></b>						
<i>Other segment information:</i>						
Impairment loss on PPE	-	-	-	-	78	<b>78</b>
Inventory written off	52	30	34	9	-	<b>125</b>
Allowance for inventory obsolescence	39	16	-	-	-	<b>55</b>
Capital expenditure	43	-	-	-	1,886	<b>1,929</b>

##### 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.

<b>Group</b>	CRE	HVAC	AP	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>2H2023 (unaudited)</u></b>					
<b>Primary geographical markets</b>					
Singapore	542	5,025	-	68	<b>5,635</b>
Malaysia	14	-	-	2	<b>16</b>
People's Republic of China	-	-	2,139	126	<b>2,265</b>
Indonesia	49	22	-	-	<b>71</b>
Philippines	108	-	-	-	<b>108</b>
Others	36	1	-	-	<b>37</b>
	<b>749</b>	<b>5,048</b>	<b>2,139</b>	<b>196</b>	<b>8,132</b>
<b>Major products/service line</b>					
Sale of goods	607	5,048	2,139	196	<b>7,990</b>
Installation service	142	-	-	-	<b>142</b>
	<b>749</b>	<b>5,048</b>	<b>2,139</b>	<b>196</b>	<b>8,132</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>749</b>	<b>5,048</b>	<b>2,139</b>	<b>196</b>	<b>8,132</b>

# EINDEC KYODO

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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)

#### 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
<b>2H2022 (unaudited)</b>					
<b>Primary geographical markets</b>					
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
	<b>1,327</b>	<b>4,850</b>	<b>6,151</b>	<b>166</b>	<b>12,494</b>
<b>Major products/service line</b>					
Sale of goods	1,265	4,850	1,731	166	8,012
Installation service	62	-	4,420	-	4,482
	<b>1,327</b>	<b>4,850</b>	<b>6,151</b>	<b>166</b>	<b>12,494</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>1,327</b>	<b>4,850</b>	<b>6,151</b>	<b>166</b>	<b>12,494</b>
<b>FY2023 (unaudited)</b>					
<b>Primary geographical markets</b>					
Singapore	1,235	9,831	-	272	11,338
Malaysia	198	3	-	2	203
People's Republic of China	-	-	3,264	126	3,390
Indonesia	125	23	-	-	148
Hong Kong	-	-	-	-	-
Philippines	669	5	-	-	674
Others	105	37	-	-	142
	<b>2,332</b>	<b>9,899</b>	<b>3,264</b>	<b>400</b>	<b>15,895</b>
<b>Major products/service line</b>					
Sale of goods	2,086	9,899	3,264	400	15,649
Installation service	246	-	-	-	246
	<b>2,332</b>	<b>9,899</b>	<b>3,264</b>	<b>400</b>	<b>15,895</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>2,332</b>	<b>9,899</b>	<b>3,264</b>	<b>400</b>	<b>15,895</b>

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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)

#### 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
<b>FY2022 (audited)</b>					
<b>Primary geographical markets</b>					
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
	<b>7,032</b>	<b>8,313</b>	<b>10,315</b>	<b>216</b>	<b>25,876</b>
<b>Major products/service line</b>					
Sale of goods	6,947	8,313	4,275	216	19,751
Installation service	85	-	6,040	-	6,125
	<b>7,032</b>	<b>8,313</b>	<b>10,315</b>	<b>216</b>	<b>25,876</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>7,032</b>	<b>8,313</b>	<b>10,315</b>	<b>216</b>	<b>25,876</b>

#### A breakdown of sales:

	Group		Increase/ (Decrease)
	FY2023	FY2022	
	S\$'000	S\$'000	%
(a) Sales reported for first half year	7,763	13,382	(42)
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half year	(61)	1,400	n.m.
(c) Sales reported for second half year	8,132	12,494	(35)
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(92)	527	n.m.

n.m. denotes not meaningful



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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)

#### 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 31 December 2023 and 31 December 2022, 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
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>31.12.2023 (unaudited)</u></b>					
Trade and other receivables	3,732	-	-	3,732	-
Cash and cash equivalents	3,549	-	-	3,549	-
Debt investments	-	300	-	300	300
	<b>7,281</b>	<b>300</b>	<b>-</b>	<b>7,581</b>	
Loan and borrowings	-	-	(3,305)	(3,305)	-
Trade and other payables	-	-	(6,339)	(6,339)	-
	-	-	<b>(9,644)</b>	<b>(9,644)</b>	
<b><u>31.12.2022 (audited)</u></b>					
Trade and other receivables	7,831	-	-	7,831	-
Cash and cash equivalents	2,284	-	-	2,284	-
Debt investments	-	760	-	760	760
	<b>10,115</b>	<b>760</b>	<b>-</b>	<b>10,875</b>	
Loan and borrowings	-	-	(4,229)	(4,229)	-
Trade and other payables	-	-	(8,352)	(8,352)	-
	-	-	<b>(12,581)</b>	<b>(12,581)</b>	
<b>Company</b>					
<b><u>31.12.2023 (unaudited)</u></b>					
Trade and other receivables	1,529	-	-	1,529	-
Cash and cash equivalents	117	-	-	117	-
	<b>1,646</b>	<b>-</b>	<b>-</b>	<b>1,646</b>	
Trade and other payables	-	-	(2,349)	(2,349)	-
<b><u>31.12.2022 (audited)</u></b>					
Trade and other receivables	1,949	-	-	1,949	-
Cash and cash equivalents	116	-	-	116	-
	<b>2,065</b>	<b>-</b>	<b>-</b>	<b>2,065</b>	
Trade and other payables	-	-	(2,235)	(2,235)	-

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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)

#### 6 (Loss)/Profit Before Taxation

##### 6.1 Significant items not disclosed elsewhere in condensed interim consolidated financial statements

	Group					
	2H2023	2H2022	Change	FY2023	FY2022	Change
	(unaudited)	(unaudited)		(unaudited)	(audited)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Income</b>						
Government grants						
- Current year	(1)	(19)	(95)	(26)	(27)	(4)
Gain on disposal of a subsidiary	(53)	-	n.m.	(53)	-	n.m.
Net foreign exchange loss/(gain)	2	15	(87)	(130)	(132)	(2)
<b>Expenses</b>						
Amortisation of intangible assets	19	62	(69)	39	71	(45)
Allowance for inventory obsolescence	-	55	n.m.	-	55	n.m.
Inventory written off	4	125	(97)	10	125	(92)
Depreciation of property, plant and equipment <sup>(1)</sup>	325	365	(11)	763	953	(20)
Impairment loss on property, plant and equipment	-	78	n.m.	-	78	n.m.
Employee benefits expense	2,240	2,083	8	4,487	3,944	14
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	4,066	7,982	(49)	7,839	15,876	(51)
Property, plant and equipment written off	-	1	n.m.	5	4	25
Relocation expenses	-	-	-	-	114	n.m.
Research and development	39	47	(17)	76	125	(39)
Short-term and low value leases expenses	25	13	92	40	67	(40)

<sup>(1)</sup> Included in cost of sales and administrative expenses.

n.m. denotes not meaningful

##### 6.2 Related Party Transactions

	Group			
	2H2023	2H2022	FY2023	FY2022
	(unaudited)	(unaudited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Expenses/(Income)</b>				
<i>Immediate and ultimate holding company</i>				
- Interest expenses paid/payable	54	61	114	100
- Shared services income received/receivable	(6)	(6)	(12)	(12)
<i>Related corporations</i>				
- Rental paid/payable	148	310	458	660
- Sales	294	4,903	1,070	7,654

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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#### (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 tax profits. The major components of income tax expense in the unaudited condensed interim consolidated statement of profit or loss are:

	Group			
	2H2023 (unaudited) S\$'000	2H2022 (unaudited) S\$'000	FY2023 (unaudited) S\$'000	FY2022 (audited) S\$'000
Current tax expense				
- Current year	(14)	27	52	89
- Over provision in respect of prior years	(31)	(167)	(31)	(167)
	(45)	(140)	21	(78)
Deferred tax expense				
- Origination and reversal of temporary differences	33	(37)	33	(37)
- Under provision in respect of prior years	8	1	8	1
	41	(36)	41	(36)
Tax (credit)/expenses recognised	(4)	(176)	62	(114)

#### 8 Property, Plant and Equipment

During FY2023, the Group acquired property, plant and equipment with an aggregate cost of S\$841,000 (FY2022: S\$1.93 million) of which S\$166,000 (FY2022: S\$686,000) was paid in cash, and S\$675,000 (FY2022: S\$43,000) was acquired by means of lease liabilities. Property, plant and equipment with carrying amount of S\$7,000 was disposed during FY2023 (FY2022: S\$1,000).

##### 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 Group's property assets.

On 31 December 2023, 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 their carrying value, and concluded that the Group's property assets are not impaired.

#### 9 Intangible assets

Intangible assets comprise computer software. During FY2023, the Group did not have additions to intangible assets (FY2022: S\$9,300).

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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 FY2023, management has assessed that the development cost previously capitalised under the North Asia CGU will remain fully impaired since prior years as there were no indicators of improvement.

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 FY2023, inventories of S\$7,839,000 (FY2022: S\$15,876,000) and inventory written off of S\$10,000 (FY2022: S\$125,000) were recognised as an expense and included in “cost of sales”.

During FY2023, the Group recognised an inventory written off of S\$19,000 from provision for stock obsolescence.

#### 12 Trade and other receivables

	Group		Company	
	As at 31.12.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000	As at 31.12.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000
Trade receivables				
- third parties	2,894	3,392	-	-
- related corporations	312	4,004	-	-
Non-trade amounts due from				
- subsidiary	-	-	1,527	1,947
Other receivables and deposits	526	435	2	2
	3,732	7,831	1,529	1,949
Tax recoverable	45	19	-	-
Prepayments	174	158	11	10
	3,951	8,008	1,540	1,959

#### *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.

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

#### 12 Trade and other receivables (cont'd)

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

	Weighted average loss rate	Group		Credit impaired
		Gross carrying amount	Impairment loss allowance	
	%	S\$'000	S\$'000	
<b>As at 31.12.2023 (unaudited)</b>				
Current (not past due)	0.49	2,380	(12)	No
1 – 30 days past due	0.50	690	(3)	No
31 – 60 days past due	0.66	103	(1)	No
61 – 90 days past due	0.99	20	-	No
More than 90 days past due	3.02	30	(1)	No
More than 90 days past due	100	210	(210)	Yes
		<b>3,433</b>	<b>(227)</b>	
<b>As at 31.12.2022 (audited)</b>				
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
		<b>7,519</b>	<b>(123)</b>	

Movements in impairment loss on trade receivables were as follows:

	Group Lifetime ECL	
	2023 (unaudited)	2022 (audited)
	S\$'000	S\$'000
Balance as at 1 January	123	75
Recognised in profit loss during the year		
Additions – credit impaired	122	88
Additions – not credit impaired	11	2
Reversal	(29)	-
	104	90
Bad debts written off against allowance	-	(42)
Balance as at 31 December	<b>227</b>	<b>123</b>

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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)

#### 13 Other Investments

	Group	
	As at 31.12.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000
	Debt investments at fair value through profit or loss ("FVTPL")	300
	<b>300</b>	<b>760</b>

Debt investments at FVTPL have variable returns of 2.11% (as at 31 December 2022: 2.06%) per annum.

#### 14 Loans and borrowings

	Group	
	As at 31.12.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000
	<b><u>Amount repayable within one year or on demand</u></b>	
<b><i>Secured</i></b>		
- Bank overdraft	473	476
- Fixed bank loans	683	1,495
- Term loan 1	27	29
- Term loan 3	32	37
- Lease liabilities	300	537
	<b>1,515</b>	<b>2,574</b>
<b><i>Unsecured</i></b>		
- Term loan 2	-	61
	<b>1,515</b>	<b>2,635</b>
<b><u>Amount repayable after one year</u></b>		
<b><i>Secured</i></b>		
- Term loan 1	337	384
- Term loan 3	1,103	1,133
- Lease liabilities	350	77
	<b>1,790</b>	<b>1,594</b>

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

#### 14 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.

#### 15 Share Capital

	Group and Company			
	As at	As at	As at	As at
	31.12.2023 (unaudited)	31.12.2022 (audited)	31.12.2023 (unaudited)	31.12.2022 (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 2023 and 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

The Company did not have any outstanding options and convertible securities as at 31 December 2023 and 31 December 2022.

#### 16 Event occurring after reporting date

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

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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

#### 1 Review

The condensed consolidated statement of financial position of Eindec Corporation Limited and its subsidiaries as at 31 December 2023 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 2023 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 2022 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.



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## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

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### (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

###### 2H2023 vs 2H2022

	Revenue		
	2H2023	2H2022	Change
	(unaudited)	(unaudited)	
	S\$'000	S\$'000	%
CRE	749	1,327	(44)
HVAC	5,048	4,850	4
AP	2,139	6,151	(65)
Others	196	166	18
	<b>8,132</b>	<b>12,494</b>	<b>(35)</b>

The Group reported a decline in revenue of S\$4.36 million or 35%, from S\$12.49 million in the six months ended 31 December 2022 ("2H2022") to S\$8.13 million in 2H2023. The decrease in revenue was mainly due to the decrease in revenue contribution from the two major business segments of the Group (being, 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 principal activities to include e-commerce trading during FY2023, and its revenue, together with the revenue from the distribution of cooling towers, is reported under others segment.

- (1) Revenue from the CRE segment decreased by S\$0.58 million or 44%, from S\$1.33 million in 2H2022 to S\$0.75 million in 2H2023, mainly due to completion of a few major clean room projects secured in prior years. Following the completion of these projects in the geographical region of Malaysia, there were no significant orders received from the same customers or new customers. As for Singapore and other countries, the decrease in revenue from the CRE segment was mainly due to the decrease in demand from CRE products such as fan filter units, which are closely tied to industrial demand, particularly in sectors that require controlled environments such as manufacturing, research, and healthcare.
- (2) The HVAC segment reported an increase in revenue by S\$0.20 million or 4%, from S\$4.85 million in 2H2022 to S\$5.05 million in 2H2023. The Group's HVAC products are mainly supplied to projects relating to construction of buildings in Singapore.
- (3) Revenue from the AP segment decreased by S\$4.01 million or 65%, from S\$6.15 million in 2H2022 to S\$2.14 million in 2H2023. The Group's AP products, encompassing air purification equipment and smart home devices, are supplied to use for both residential and commercial purposes. Market sentiment had been affected amid uncertainties surrounding the Chinese economy, a decline in employment rates, and numerous challenges within the property sector. Consequently, consumers are exercising caution in their spending habits, resulting in subdued demand for the Group's AP products.

Corresponding to the decline in the Group's revenue, cost of sales decreased by S\$3.92 million, from S\$9.78 million in 2H2022 to S\$5.87 million in 2H2023.

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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
	<b>15,895</b>	<b>25,876</b>	<b>(39)</b>

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.

### 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)**

Corresponding to the decrease in the Group's revenue, cost of sales decreased by S\$8.10 million or 41%, from S\$19.50 million in FY2022 to S\$11.40 million in FY2023. During FY2023, the Group recognised an inventory written off of S\$19,000 from provision for stock obsolescence, and an inventory written off of S\$10,000 (FY2022: S\$125,000), which were both recognised under "cost of sales".

As a result of the above, the Group's gross profit decreased by S\$1.93 million or 30%, from S\$6.42 million in FY2022 to S\$4.49 million in FY2023, while the Group's gross profit margin improved marginally from 25% in FY2022 to 28% in FY2023, mainly due to a favorable product mix, enhanced cost control measures, and a reduction in material costs incurred during production.

**(ii) Other income**

Other income increased by S\$80,000, from S\$14,000 in 2H2022 to S\$94,000 in 2H2023. The increase was mainly due to (i) gain on disposal of a subsidiary of S\$53,000; and (ii) government grants of S\$26,000.

Other income increased by S\$90,000 or 50%, from S\$181,000 in FY2022 to S\$271,000 in FY2023, mainly due to (i) gain on disposal of a subsidiary of S\$53,000; and (ii) government grants of S\$35,000. In FY2023, the Group also recorded a net foreign exchange gain of S\$130,000, mainly due to strengthening of Singapore dollars against Malaysia Ringgit in FY2023.

**(iii) Administrative expenses**

The Group's administrative expenses increased by S\$209,000 or 10%, from S\$2.00 million in 2H2022 to S\$2.21 million in 2H2023, and increased by S\$281,000, from S\$4.15 million in FY2022 to S\$4.43 million in FY2023. The increase in administrative expenses was mainly due to (i) operational expansion to drive e-commerce development; (ii) online marketing and advertising expenditure associating with e-commerce trading; (iii) travelling expenses incurred for marketing and business development purpose; and (iv) wages adjustment to attract and retain skilled workers.

Depreciation expenses decreased by S\$40,000 or 11%, from S\$365,000 in 2H2022 to S\$325,000 in 2H2023, and decreased by S\$190,000 or 20%, from S\$953,000 in FY2022 to S\$763,000 in FY2023. The decrease was mainly due to decrease in right-of-use ("ROU") assets which resulted in lower depreciation charges of property, plant and equipment following termination or expiration of ROU assets.

**(iv) Expected credit loss on trade receivables**

Expected credit loss on trade receivables increased by S\$104,000, from S\$123,000 in both 2H2022 and FY2022 to S\$227,000 in both 2H2023 and FY2023, following the impairment review of trade receivables performed as at 31 December 2023.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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**(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)**

**(v) Other operating expenses**

Other operating expenses decreased by S\$81,000, from S\$84,000 in 2H2022 to S\$3,000 in 2H2023, and decreased by S\$196,000, from S\$220,000 in FY2022 to S\$24,000 in FY2023. The decrease was mainly due to impairment loss of plant and equipment, and relocation expenses incurred for shifting of office amounting to S\$193,000 in FY2022. There was no such cost incurred in FY2023.

**(vi) Finance income**

Finance income decreased by S\$5,000 or 42%, from S\$12,000 in 2H2022 to S\$7,000 in 2H2023. The decrease was mainly due to lower principal amount invested in the short-term investments with banks.

Finance income increased by S\$2,000 or 9%, from S\$23,000 in FY2023 to S\$25,000 in FY2022, due to higher principal amount invested overall as compared to FY2022, despite a reduction in principal amount in 2H2023.

**(vii) Finance costs**

Finance costs decreased by S\$67,000 or 31%, from S\$215,000 in 2H2022 to S\$148,000 in 2H2023, and decreased by S\$37,000 or 11%, from S\$352,000 in FY2022 to S\$315,000 in FY2023. The decrease was in line with the reduction in total outstanding loans and borrowings balances. The Group's cash flow improved in FY2023 as compared to FY2022. As a result, lower financing costs were incurred.

**(viii) Income tax credit/(expense)**

The Group's income tax credit decreased by S\$172,000, from S\$176,000 in 2H2022 to S\$4,000 in 2H2023. The income tax credit was mainly due to reduced tax rate for small enterprise applicable for FY2021 with tax filing in FY2022, which resulted in an overprovision of current tax expense in respect of prior year.

Income tax expense for FY2023 was S\$62,000, as compared to a tax credit of S\$114,000 in FY2022, due to profit recorded at profit-making business units. The Group's income tax expense is provided based on the statutory tax rates of the respective countries that the Group operates in.

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

As a result of the aforementioned, the Group recorded a net loss of S\$92,000 for 2H2023, as compared to a net profit of S\$527,000 in 2H2022, and recorded a net loss of \$153,000 in FY2023, as compared to a net profit of S\$1.93 million in FY2022.

**2(b) Statement of financial position**

The Group's working capital and net assets decreased in tandem with the losses reported by the Group in FY2023. As at 31 December 2023, the Group recorded positive working capital of S\$3.13 million (31 December 2022: S\$3.85 million) and net asset value per ordinary share of 6.47 (31 December 2022: 6.58) Singapore cents.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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**(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)**

**(i) Non-current assets**

Non-current assets decreased by S\$230,000 or 4%, from S\$5.98 million as at 31 December 2022 to S\$5.75 million as at 31 December 2023. PPE decreased from S\$5.89 million as at 31 December 2022 to S\$5.70 million as at 31 December 2023, mainly due to depreciation charges for the year, partially offset by acquisition of machineries to replace aged machines used in production of S\$454,000.

The Group's intangible assets decreased by S\$39,000 or 43%, from S\$90,000 as at 31 December 2022 to S\$51,000 as at 31 December 2023, mainly due to the amortisation of software.

**(ii) Current assets**

Current assets decreased by S\$4.21 million or 28%, from S\$15.29 million as at 31 December 2022 to S\$11.08 million as at 31 December 2023, 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\$0.96 million or 23%, from S\$4.24 million as at 31 December 2022 to S\$3.28 million as at 31 December 2023. The decrease was due to utilization of inventories which were previously built up due to longer purchasing lead time and cutting down of inventories holdings in response to the slowing down of orders during the year.

Trade and other receivables (Group) decreased by S\$4.06 million or 51%, from S\$8.01 million as at 31 December 2022 to S\$3.95 million as at 31 December 2023 following the disposal of one indirect subsidiary under the AP segment. There have been no major changes in credit term.

Trade and other receivables (Company) decreased by S\$419,000 or 21%, from S\$1.96 million as at 31 December 2022 to S\$1.54 million as at 31 December 2023, mainly due to repayment received from a subsidiary during FY2023.

Cash and bank balances increased by S\$1.27 million or 55%, from S\$2.28 million as at 31 December 2022 to S\$3.55 million as at 31 December 2023. 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\$460,000 or 61%, from S\$760,000 as at 31 December 2022 to S\$300,000 as at 31 December 2023, due to partial redemption of short-term financial instruments for working capital purposes.

**(iii) Non-current liabilities**

Non-current liabilities increased by S\$228,000 or 13%, from S\$1.75 million as at 31 December 2022 to S\$1.98 million as at 31 December 2023, mainly due to increase in loans and borrowings.

Loan and borrowings which comprised bank loans, finance leases and ROU liabilities, increased by S\$196,000 or 12%, from S\$1.59 million as at 31 December 2022 to S\$1.79 million as at 31 December 2023, mainly due to increase in lease liabilities to finance motor vehicles and machineries under hire-purchase financing scheme, partially offset by repayment of bank loans during FY2023.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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**(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)**

Deferred tax liabilities increased by S\$32,000 or 21%, from S\$155,000 as at 31 December 2022 to S\$187,000 as at 31 December 2023 as a result of (i) origination of temporary differences of S\$33,000; and (ii) under-provision of deferred tax expense in prior years of S\$8,000, partially offset by exchange difference of S\$9,000.

**(iv) Current liabilities**

Current liabilities decreased by S\$3.50 million or 31%, from S\$11.44 million as at 31 December 2022 to S\$7.95 million as at 31 December 2023, due to decrease in loans and borrowings, trade and other payables, contract liabilities and income tax payable.

Loans and borrowings decreased by S\$1.12 million or 43%, from S\$2.64 million as at 31 December 2022 to S\$1.52 million as at 31 December 2023, mainly due to repayment of bank loans and lease liabilities during FY2023.

Trade and other payables decreased by S\$2.01 million or 24%, from S\$8.35 million as at 31 December 2022 to S\$6.34 million as at 31 December 2023, mainly due to settlement arising from disposal of a subsidiary during FY2023. Following the disposal of the subsidiary, the corresponding trade and other payables of the disposed subsidiary were removed from the Group's balance sheet as at 31 December 2023.

Contract liabilities decreased by S\$122,000 or 57%, from S\$213,000 as at 31 December 2022 to S\$91,000 as at 31 December 2023, mainly due to recognition of revenue following fulfilment of orders in FY2023.

Income tax payable was Nil as at 31 December 2023 (as at 31 December 2022: S\$241,000), due to an excess tax payment made to tax authority following the finalization of prior years' tax assessments.

**(vi) Other reserves**

Other reserves increased by S\$320,000 or 3%, from negative S\$11.22 million as at 31 December 2022 to negative S\$11.54 million as at 31 December 2023, mainly due to the increase in foreign currency translation reserve of S\$336,000. The increase in foreign currency translation reserve was mainly due to depreciation of Renminbi against Singapore Dollar, and Malaysia Ringgit against Singapore Dollar when translating assets and liabilities of foreign subsidiaries to Singapore Dollar as at 31 December 2023.

**2(c) Statement of cash flows**

Net cash of S\$2.56 million was generated from operating activities in FY2023. This was mainly due to (i) decrease in inventories of S\$630,000; (ii) decrease in trade and other receivables of S\$102,000, (iii) increase in trade and other payables of S\$852,000, and (iv) profit before changes in working capital of S\$1.03 million, partially offset by (v) decrease in contract liabilities of S\$40,000, and (vi) tax paid of S\$50,000.

Net cash of S\$295,000 was generated from investing activities in FY2023. This was mainly due to receipt of net proceeds from other investments of S\$459,000, partially offset by net cash outflow from purchase of property, plant and equipment of S\$166,000 during FY2023.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

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

Net cash of S\$1.59 million was used in financing activities in FY2023. This was mainly due to repayment of lease liabilities of S\$578,000, interest paid to financial institutions of S\$201,000 and repayment of bank loans of S\$823,000. During FY2023, there was a capital contribution of S\$11,000 from non-controlling interests to the paid-up capital of an indirect subsidiary of the Company.

As a result, the Group generated cash and cash equivalents of S\$1.26 million in FY2023. The cash and cash equivalents as at 31 December 2023 amounted to S\$3.07 million, up from S\$1.81 million as at 1 January 2023.

**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 consolidated financial statements of the Group for the full year ended 31 December 2023 set out in this announcement are in line with the profit guidance announcement released by the Company on 7 February 2024.

**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**

The global economy is expected to continue to confront challenges of moderate growth and elevated inflation, with a mild slowdown from 2.9% in 2023 to 2.7% in 2024<sup>1</sup>. While the long-term economic outlook for China and Asia is relatively optimistic, the Group remains mindful of the inflationary pressure on its business operations in China, Malaysia, and Singapore.

During FY2023, the Group rationalised its air purification integrated solution (“AP”) operations and diversified into e-commerce trading for its China operations in a bid to broaden consumer reach and revenue base. The Group will continue to monitor the progress as the business is currently in a developing stage.

Post-pandemic saw gradual easing on global chip shortages<sup>2</sup>, as well as expansion plans in the technology sector in Malaysia, which bodes well for the Group’s cleanroom equipment (“CRE”) segment. In January 2024, the Building and Construction Authority of Singapore announced that new construction contracts worth between S\$32 billion and S\$38 billion are expected to be awarded in 2024, with demand coming from residential developments, the expansion of the two integrated resorts, and the redevelopment of commercial premises, as well as the development of mixed-use properties and industrial facilities.<sup>3</sup> This growth trend is beneficial for the Group’s heating, ventilation, and air-conditioning (“HVAC”) segment.

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<sup>1</sup> <https://www.oecd.org/newsroom/economic-outlook-a-mild-slowdown-in-2024-and-slightly-improved-growth-in-2025.htm#:~:text=The%20Outlook%20projects%20global%20GDP,as%20it%20has%20in%202023>

<sup>2</sup> <https://www.power-and-beyond.com/global-microchip-shortage-recap-and-the-outlook-for-2024-a-72de0ddcb3be9f812808922e031b2cb5/>

<sup>3</sup> <https://www.straitstimes.com/singapore/between-32-billion-to-38-billion-in-construction-contracts-to-be-awarded-in-2024-bca>

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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**(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 (cont'd)**

Amid the geopolitical uncertainties and challenging business dynamics, the Group will continue to explore and pursue opportunities prudently to enhance its business performance and sustainability for the long term.

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 FY2023. The Board of Directors deems it appropriate to conserve funds for the Group's business activities given that the Group recorded a net loss for FY2023.

**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.



### 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”)**

No general mandate for IPTs has been obtained from shareholders.

The aggregate value of interested person transactions entered into during FY2023 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S\$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 S\$100,000)
		S\$’000	S\$’000
Weiye Holdings Limited - Interest expense <sup>(1)</sup>	Controlling shareholder of the Company	114	-
<b>Total</b>		<b>114</b>	-

Note:

(1) During FY2023, the Company incurred interest expense of S\$114,000 relating to a loan previously provided by its controlling shareholder and holding company, Weiye Holdings Limited (“**Weiye**”). Pursuant to the loan agreement, interest shall be charged at an agreed rate on the outstanding amount owing to Weiye. The value at risk of this transaction amounted to less than 3% and 5% of the latest audited NTA value of the Group for FY2022.

**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.

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

**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**

Name	Age	Family relationship with any director or CEO or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Zhang Haoyu	27	Son of Mr. Zhang Wei, Executive Chairman and Chief Executive Officer of the Company, as well as a controlling shareholder of the Company.	Appointed as General Manager of Eindex (Shanghai) Co., Ltd (“Eindex Shanghai”), an indirect subsidiary of the Company, on 1 May 2023.  Responsible for the business development, business operations and performance of Eindex Shanghai.	Nil.

**9 Disclosure pursuant to Rule 706A of the Catalist Rules**

On 20 December 2023, the Company announced that its wholly-owned subsidiary, Eindex (Shenzhen) Environmental Technology Co., Ltd. (“Eindex Shenzhen”), had on 19 December 2023 entered into a sale and purchase agreement with 郑州达讯门窗有限公司 in relation to the proposed disposal of Eindex Shenzhen’s entire 35% equity interest (“Sale Shares”) in Henan Yunzhi Security Technology Co., Ltd (the “Disposal”), at a cash consideration of RMB2.76 million.

The consideration for the Disposal was arrived on a willing-buyer willing-seller basis, taking into account the unaudited net asset value attributable to the Sale Shares as at 30 June 2023 of approximately S\$0.47 million.

Please refer to the Company’s announcement dated 20 December 2023 in relation to the Disposal, for further information on the factors taken into account in arriving at the sale consideration and how it was satisfied, including the terms of the payment.

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 since the end of the previous reporting period, up to 31 December 2023.

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

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**ORDER OF THE BOARD**  
**EINDEC CORPORATION LIMITED**

Zhang Wei  
Executive Chairman and Chief Executive Officer

Singapore  
22 February 2024