

**EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES**

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

---

This announcement has been prepared by Eindec 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 Catalist.

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

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

## **Unaudited Condensed Interim Consolidated Financial Statements for the Six Months Ended 30 June 2023**

# 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		Change %
		1H2023 (unaudited)	1H2022 (unaudited)	
		S\$'000	S\$'000	
Revenue	4	7,763	13,382	(42)
Cost of sales		(5,547)	(9,679)	(43)
<b>Gross profit</b>		<b>2,216</b>	<b>3,703</b>	<b>(40)</b>
Other income		177	167	6
Administrative expenses		(2,218)	(2,146)	3
Other operating expenses		(21)	(136)	(85)
<b>Results from operating activities</b>		<b>154</b>	<b>1,588</b>	<b>(90)</b>
Finance income		18	11	64
Finance cost		(167)	(137)	22
Net finance costs		(149)	(126)	18
<b>Profit before income tax</b>	6	<b>5</b>	<b>1,462</b>	<b>(100)</b>
Income tax expense	7	(66)	(62)	6
<b>(Loss)/Profit for the period</b>		<b>(61)</b>	<b>1,400</b>	<b>n.m.</b>
<b>Other comprehensive (loss)/income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		(363)	(263)	38
<b>Total comprehensive (loss)/income for the period, net of tax</b>		<b>(424)</b>	<b>1,137</b>	<b>n.m.</b>
<b>(Loss)/Income for the period attributable to:</b>				
Equity holders of the Company		130	1,264	(90)
Non-controlling interests		(191)	136	n.m.
		<b>(61)</b>	<b>1,400</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Equity holders of the Company		(204)	1,020	n.m.
Non-controlling interests		(220)	117	n.m.
		<b>(424)</b>	<b>1,137</b>	<b>n.m.</b>
<b>Profit per share attributable to owners of the Company</b>				
Basic and diluted <sup>[1]</sup> (\$\$ cents)		<b>0.12</b>	<b>1.17</b>	<b>(90)</b>

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.

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

#### (B) Condensed interim statements of financial position

		Group		Company	
		As at 30.6.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000	As at 30.6.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000
	Note				
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment ("PPE")	8	5,800	5,892	-	-
Intangible assets	9	70	90	-	-
Subsidiaries		-	-	9,300	9,300
Total non-current assets		5,870	5,982	9,300	9,300
<b>Current assets</b>					
Inventories		3,493	4,236	-	-
Trade and other receivables		7,551	8,008	1,829	1,959
Cash and bank balances		2,535	2,284	13	116
Other investments	11	404	760	-	-
Total current assets		13,983	15,288	1,842	2,075
<b>Total assets</b>		<b>19,853</b>	<b>21,270</b>	<b>11,142</b>	<b>11,375</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital, reserves and non-controlling interests</b>					
Share capital	12	14,917	14,917	14,917	14,917
Reserves		(11,551)	(11,217)	-	-
Retained earnings / (Accumulated losses)		3,518	3,388	(6,055)	(5,777)
Equity attributable to owners of the Company		6,884	7,088	8,862	9,140
Non-controlling interests		772	992	-	-
<b>Total equity</b>		<b>7,656</b>	<b>8,080</b>	<b>8,862</b>	<b>9,140</b>
<b>Non-current liabilities</b>					
Loans and borrowings	13	1,535	1,594	-	-
Deferred tax liabilities		148	155	-	-
Total non-current liabilities		1,683	1,749	-	-
<b>Current liabilities</b>					
Loans and borrowings	13	2,278	2,635	-	-
Trade and other payables		7,777	8,352	2,280	2,235
Contract liabilities		164	213	-	-
Income tax payable		295	241	-	-
Total current liabilities		10,514	11,441	2,280	2,235
<b>Total liabilities</b>		<b>12,197</b>	<b>13,190</b>	<b>2,280</b>	<b>2,235</b>
<b>Total equity and liabilities</b>		<b>19,853</b>	<b>21,270</b>	<b>11,142</b>	<b>11,375</b>
<b>Net asset value per ordinary share (S\$ cents)</b>					
		<b>6.39</b>	<b>6.58</b>	<b>8.23</b>	<b>8.49</b>

# EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

(C) Condensed interim statements of changes in equity

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

Group	Share capital S\$'000	Merger reserve S\$'000	Translation reserve S\$'000	Statutory reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity 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 period	-	-	-	-	1,264	1,264	136	1,400
Other comprehensive income/(loss)								
Foreign currency translation differences from foreign operations	-	-	(244)	-	-	(244)	(19)	(263)
Total comprehensive income/(loss) for the period, net of tax	-	-	(244)	-	1,264	1,020	117	1,137
<b>Balance at 30.6.2022 (unaudited)</b>	<b>14,917</b>	<b>(9,138)</b>	<b>(2,021)</b>	<b>124</b>	<b>3,086</b>	<b>6,968</b>	<b>928</b>	<b>7,896</b>

# EINDEC KYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

	Share capital	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000
Balance at 1.1.2023 (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

	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 period, representing total comprehensive loss for the period	-	(266)	(266)
Balance at 30.6.2022 (unaudited)	14,917	(5,511)	9,406

# EINDEC KYODO

英德集团

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

	Group	
	1H2023 (unaudited) S\$'000	1H2022 (unaudited) S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	5	1,462
<b>Adjustments for:</b>		
Amortisation of intangible assets	20	9
Depreciation of property, plant and equipment	438	588
Property, plant and equipment written off	5	3
Inventory written off	6	-
Interest expenses	167	137
Interest income	(18)	(11)
Effects of exchange rate changes	(77)	(205)
	<b>546</b>	<b>1,983</b>
<b>Changes in working capital:</b>		
- inventories	573	1,015
- trade and other receivables	219	185
- trade and other payables	(438)	(3,089)
- contract liabilities	(46)	(935)
<b>Cash generated from/(used in) operations</b>	<b>854</b>	<b>(841)</b>
Interest received	18	11
Tax paid	(14)	(62)
<b>Net cash generated from/(used in) operating activities</b>	<b>858</b>	<b>(892)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(140)	(510)
Proceeds from disposal of property, plant and equipment	4	-
Net proceeds from other investments	345	665
<b>Net cash generated from investing activities</b>	<b>209</b>	<b>155</b>
<b>Cash flows from financing activities</b>		
Interest paid	(103)	(80)
(Repayment)/Proceeds from short-term financing loan	(575)	974
Principal payment of lease liabilities	(350)	(177)
Repayment of bank borrowings	(48)	(51)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,076)</b>	<b>666</b>

# EINDECKYODO

英德集团

EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

	Group	
	1H2023 (unaudited) S\$'000	1H2022 (unaudited) S\$'000
<b>Net decrease in cash and cash equivalents</b>	<b>(9)</b>	<b>(71)</b>
Cash and cash equivalents at beginning of financial period	1,808	1,148
Effects of exchange rate changes on cash and cash equivalents	17	8
<b>Cash and cash equivalents at end of financial period</b>	<b>1,816</b>	<b>1,085</b>
<b>Group</b>		
<b>Cash and cash equivalents as per statement of financial position comprising:</b>		
Cash at bank	2,535	1,448
Bank overdraft	(719)	(363)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>1,816</b>	<b>1,085</b>

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

---

### (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 2023 (“**1H2023**”, and for the corresponding six months ended 30 June 2022, “**1H2022**”) 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.



### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

#### 2 Basis of Preparation

The unaudited condensed interim consolidated financial statements for 1H2023 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 2022 ("FY2022").

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>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
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.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

---

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

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

##### 2.2 Use of judgements and estimates

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 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:

- 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:

- Control over a subsidiary, Henan Yunzhi Security Technology Co., Ltd, with an effective interest of 35%.

#### 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

(Company Registration No. 201508913H)

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

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

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

Income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties.

There were no inter-segment sales within the Group in 1H2023 and 1H2022.

### 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)

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

##### 4.1 Reportable Segments

	Group			
	Revenue		Segment results	
	1H2023 (unaudited)	1H2022 (unaudited)	1H2023 (unaudited)	1H2022 (unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000
CRE	1,583	5,705	30	974
HVAC	4,851	3,463	569	264
AP	1,125	4,164	(564)	356
Others	204	50	(52)	(26)
	<b>7,763</b>	<b>13,382</b>	<b>(17)</b>	<b>1,568</b>
<b>Unallocated items:</b>				
Other income			177	167
Other operating expenses			(9)	(136)
Finance income			9	-
Finance cost			(155)	(137)
Profit before income tax			5	1,462
Income tax expense			(66)	(62)
<b>(Loss)/Profit after income tax</b>			<b>(61)</b>	<b>1,400</b>
<b>Segment assets (Group)</b>			<b>As at 30.6.2023</b>	<b>As at 31.12.2022</b>
CRE			990	4,496
HVAC			2,891	2,523
AP			5,982	8,181
Others			59	34
Total segment assets			9,922	15,234
Unallocated assets <sup>#</sup>			9,931	9,244
<b>Consolidated total assets</b>			<b>19,853</b>	<b>24,478</b>
<b>Segment liabilities (Group)</b>				
CRE			228	1,286
HVAC			73	102
AP			4,024	5,225
Others			86	82
Total segment liabilities			4,411	6,695
Unallocated liabilities <sup>^</sup>			7,786	9,887
<b>Consolidated total liabilities</b>			<b>12,197</b>	<b>16,582</b>

<sup>#</sup> 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.

<sup>^</sup> 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.

**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 Reportable Segments (cont'd)**

	CRE	HVAC	AP	Others	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>1H2023 (unaudited)</u></b>						
<b><u>Group</u></b>						
<i>Other segment information:</i>						
Amortisation of						
intangible assets	-	-	-	-	20	<b>20</b>
Depreciation of PPE	28	97	311	2	-	<b>438</b>
Inventory written off	-	6	-	-	-	<b>6</b>
Capital expenditure	-	-	27	-	523	<b>550</b>
<b><u>1H2022 (unaudited)</u></b>						
<b><u>Group</u></b>						
<i>Other segment information:</i>						
Amortisation of						
intangible assets	-	-	-	-	9	<b>9</b>
Depreciation of PPE	129	93	366	-	-	<b>588</b>
Capital expenditure	43	-	-	-	1,710	<b>1,753</b>

### 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)

##### 4.3 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.

<b>Group</b>	<b>CRE S\$'000</b>	<b>HVAC S\$'000</b>	<b>AP S\$'000</b>	<b>Others S\$'000</b>	<b>Total S\$'000</b>
<b><u>1H2023 (unaudited)</u></b>					
<b>Primary geographical markets</b>					
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
	<b>1,583</b>	<b>4,852</b>	<b>1,125</b>	<b>203</b>	<b>7,763</b>
<b>Major products/ service line</b>					
Sale of goods	1,479	4,852	1,125	203	7,659
Installation service	104	-	-	-	104
	<b>1,583</b>	<b>4,852</b>	<b>1,125</b>	<b>203</b>	<b>7,763</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>1,583</b>	<b>4,852</b>	<b>1,125</b>	<b>203</b>	<b>7,763</b>
<b><u>1H2022 (unaudited)</u></b>					
<b>Primary geographical markets</b>					
Singapore	473	3,403	-	50	3,926
Malaysia	4,238	11	-	-	4,249
People's Republic of China	-	-	4,164	-	4,164
Indonesia	51	-	-	-	51
Philippines	801	5	-	-	806
Others	142	44	-	-	186
	<b>5,705</b>	<b>3,463</b>	<b>4,164</b>	<b>50</b>	<b>13,382</b>
<b>Major products/ service line</b>					
Sale of goods	5,682	3,463	2,544	50	11,739
Installation service	23	-	1,620	-	1,643
	<b>5,705</b>	<b>3,463</b>	<b>4,164</b>	<b>50</b>	<b>13,382</b>
<b>Timing of revenue recognition</b>					
At a point in time	<b>5,705</b>	<b>3,463</b>	<b>4,164</b>	<b>50</b>	<b>13,382</b>

### 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 30 June 2023 and 31 December 2022, including their levels in the fair value hierarchy are as follows:

	Carrying amount				Fair value
	Amortised cost	Fair value through profit or loss	Other financial liabilities	Total	Level 2
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>					
<b>30.6.2023 (unaudited)</b>					
Trade and other receivables	7,223	-	-	7,223	-
Cash and cash equivalents	2,535	-	-	2,535	-
Other investments	-	404	-	404	404
	<b>9,758</b>	<b>404</b>	<b>-</b>	<b>10,162</b>	
Loan and borrowings	-	-	(3,813)	(3,813)	-
Trade and other payables	-	-	(7,777)	(7,777)	-
	<b>-</b>	<b>-</b>	<b>(11,590)</b>	<b>(11,590)</b>	
<b>31.12.2022 (audited)</b>					
Trade and other receivables	7,831	-	-	7,831	-
Cash and cash equivalents	2,284	-	-	2,284	-
Other 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>-</b>	<b>-</b>	<b>(12,581)</b>	<b>(12,581)</b>	
<b>Company</b>					
<b>30.6.2023 (unaudited)</b>					
Trade and other receivables	1,817	-	-	1,817	-
Cash and cash equivalents	13	-	-	13	-
	<b>1,830</b>	<b>-</b>	<b>-</b>	<b>1,830</b>	
Trade and other payables	-	-	(2,280)	(2,280)	-
<b>31.12.2022 (audited)</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)	-

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

#### 6 Profit Before Taxation

##### 6.1 Significant Items

	Group		
	1H2023 (unaudited) S\$'000	1H2022 (unaudited) S\$'000	Change %
<b>Income</b>			
Government grants			
- Current year	25	7	257
Net foreign exchange gains	132	147	(10)
<b>Expenses</b>			
Amortisation of intangible assets	20	9	122
Depreciation of property, plant and equipment <sup>(1)</sup>	438	588	(26)
Employee benefits expense	2,247	1,861	21
Inventory written off	6	-	n.m.
Raw materials, changes in finished goods and work-in-progress recognised as cost of sales	3,773	7,843	(52)
Relocation expenses	-	114	(100)
Research and development	37	78	(53)
Property, plant and equipment written off	5	3	67
Short-term and low value leases expenses	15	54	(72)

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

n.m. denotes not meaningful

##### 6.2 Related Party Transactions

	Group	
	1H2023 (unaudited) S\$'000	1H2022 (unaudited) S\$'000
<b>Expenses/(Income)</b>		
<i>Immediate and ultimate holding company</i>		
- Interest expenses paid/payable	60	39
- Shared services income received/receivable	(6)	(6)
<i>Non-controlling shareholders</i>		
- Rental paid/payable	310	350
- Sales	776	2,751



### 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	
	1H2023 (unaudited)	1H2022 (unaudited)
	S\$'000	S\$'000
Current tax expense		
- Current year	66	62

#### 8 Property, Plant and Equipment

During the financial period ended 30 June 2023, the Group acquired property, plant and equipment with an aggregate cost of S\$0.55 million (30 June 2022: S\$1.71 million) of which S\$0.14 million (30 June 2022: S\$0.51 million) was paid in cash and S\$0.41 million (30 June 2022: S\$1.20 million) was acquired by means of bank loans.

##### 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 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 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 2023 and 30 June 2022, the Group did not have additions to intangible assets.

### EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

#### (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 2023, 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. The management will continue to assess should they be fully written off or reversed before the financial year ending 31 December 2023.

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 Other Investments

	Group	
	As at	As at
	30.6.2023	31.12.2022
	(unaudited)	(audited)
	S\$'000	S\$'000
Debt investments at fair value through profit or loss ("FVTPL")	404	760

Debt investments at FVTPL have variable returns of 2.10% (31 December 2022: 2.06%) per annum.

#### 12 Share Capital

	Group and Company			
	As at	As at	As at	As at
	30.6.2023	31.12.2022	30.6.2023	31.12.2022
	(unaudited)	(audited)	(unaudited)	(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 30 June 2023, 31 December 2022 and 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023, 31 December 2022 and 30 June 2022.

The Company did not have any outstanding options and convertible securities as at 30 June 2023, 31 December 2022 and 30 June 2022.

### 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 30.6.2023 (unaudited) S\$'000	As at 31.12.2022 (audited) S\$'000
<b><u>Amount repayable within one year or on demand</u></b>		
<b><u>Secured</u></b>		
- Bank overdrafts	719	476
- Fixed bank loans	864	1,495
- Term Loan 1	26	29
- Term Loan 3	37	37
- Lease Liabilities	589	537
	2,235	2,574
<b><u>Unsecured</u></b>		
Term Loan 2	43	61
	<b>2,278</b>	<b>2,635</b>
<b><u>Amount repayable after one year</u></b>		
<b><u>Secured</u></b>		
- Term Loan 1	354	384
- Term Loan 3	1,116	1,133
- Lease Liabilities	65	77
	<b>1,535</b>	<b>1,594</b>

#### 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.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

---

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

#### 14 Subsequent events

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

### (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 E indec Corporation Limited and its subsidiaries as at 30 June 2023 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 then ended 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 Company and the Group for the financial year ended 31 December 2022 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\$5.62 million or 42%, from S\$13.38 million for 1H2022 to S\$7.76 million in 1H2023, 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 principal activities to include e-commerce trading during 1H2023, and this segment has not generated any revenue during 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)

1. The CRE segment reported a decrease in revenue by S\$4.12 million or 72%, from S\$5.71 million in 1H2022 to S\$1.58 million in 1H2023, mainly due to completion of significant order book in prior year. Subsequently, the Group did not receive additional orders from the customer nor secured another significant order from a new customer amidst the challenging environment.
2. Revenue from the HVAC segment reported an increase of S\$1.39 million, from S\$3.46 million in 1H2022 to S\$4.85 million in 1H2023. The Group's HVAC products are mainly supplied to projects relating to construction of buildings in Singapore. As the construction activities in Singapore slowly resume to pre COVID-19 days, the Group is receiving more orders in 1H2023, as compared to 1H2022.
3. Revenue from the AP segment decreased by S\$3.04 million, from S\$4.16 million in 1H2022 to S\$1.13 million in 1H2023. Sluggish economy recovery in China and struggling property sector are weighing down market sentiment which leads to a cautious consumer confidence spending. The Group's AP products such as air purification equipment and smart home equipment are supplied to use for residential or commercial purpose. As a result, the demand for the Group's AP products remains low.

Corresponding to the decline in the Group's revenue, cost of sales decreased by S\$4.13 million, from S\$9.68 million in 1H2022 to S\$5.55 million in 1H2023.

As a result of the above, the Group's gross profit decreased from S\$3.70 million in 1H2022 to S\$2.22 million in 1H2023, while the Group's gross profit margin improved marginally, from 28% in 1H2022 to 29% in 1H2023.

#### (ii) Other income

Other income increased from S\$0.17 million in 1H2022 to S\$0.18 million in 1H2023, mainly due to foreign exchange gain of S\$0.13 million, as a result of the appreciation of Singapore Dollar against Malaysia Ringgit.

#### (iii) Administrative expenses

Employee benefits expense (recognised under administrative expenses) increased by S\$0.24 million, from S\$1.18 million in 1H2022 to S\$1.42 million in 1H2023, mainly due to wage adjustment as businesses compete to attract and retain skilled workers due to labor shortages.

Depreciation expense (recognised under administrative expenses) decreased by S\$0.15 million, from S\$0.59 million in 1H2022 to S\$0.44 million in 1H2023, mainly due to decrease in right-of-use ("ROU") assets, which resulted in lower depreciation expense.

#### (iv) Other operating expenses

Other operating expenses decreased by S\$0.12 million, from S\$0.14 million in 1H2022 to S\$0.02 million in 1H2023, due mainly to relocation expenses incurred for the shifting of Singapore office and warehouse in 1H2022. There was no such cost incurred 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)

#### (v) Finance income

Finance income increased from S\$11,000 in 1H2022 to S\$18,000 in 1H2023, mainly due to a placement for fixed deposit to earn fixed interest rate in 1H2023 (1H2022: Nil).

#### (vi) Finance costs

Finance costs increased from S\$137,000 in 1H2022 to S\$167,000 in 1H2023. The increase was mainly due to rising interest rates associated with bank overdrafts and invoice discounting.

#### (vii) Profit for the period

As a result of the aforementioned, the Group reported net loss of S\$0.06 million in 1H2023, as compared to a net profit of S\$1.40 million in 1H2022.

### 2(b) Statement of financial position

#### (i) Non-current assets

Non-current assets decreased by S\$0.11 million or 2%, from S\$5.98 million as at 31 December 2022 to S\$5.87 million as at 30 June 2023.

PPE amounted to S\$5.80 million as at 30 June 2023, a decrease of S\$0.09 million from 31 December 2022. The decrease was mainly due to (i) exchange difference arising from translation of S\$0.20 million, and (ii) depreciation charges of ROU assets and PPE of S\$0.11 million and S\$0.33 million, respectively, partially offset by (a) purchase of plant and machinery amounting to S\$0.45 million, and (b) purchase of motor vehicles amounting to S\$0.05 million.

#### (ii) Current assets

Current assets decreased by S\$1.31 million or 9%, from S\$15.29 million as at 31 December 2022 to S\$13.98 million as at 30 June 2023.

Inventories decreased by S\$0.75 million or 18%, from S\$4.24 million as at 31 December 2022 to S\$3.49 million as at 30 June 2023. The decrease was a response to the slowing down of orders in 1H2023.

Other investments, which relate to investment in short-term capital protected investment with banks, decreased by S\$0.36 million or 47%, from S\$0.76 million as at 31 December 2022 to S\$0.40 million as at 30 June 2023, due to partial redemption of short-term financial instruments for working capital purpose.

Trade and other receivables decreased by S\$0.46 million or 6%, from S\$8.00 million as at 31 December 2022 to S\$7.55 million as at 30 June 2023, mainly due to repayment received from customers during 1H2023.

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

---

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

#### (ii) Current assets (cont'd)

Cash and bank balances increased from S\$2.28 million as at 31 December 2022 to S\$2.54 million as at 30 June 2023. Please refer to Section F, Note 2(c) below on statement of cash flows for explanations on the increase in cash and cash equivalents of the Group.

#### (iii) Non-current liabilities

Non-current liabilities decreased by S\$0.07 million or 4%, from S\$1.75 million as at 31 December 2022 to S\$1.68 million as at 30 June 2023, mainly due to decrease in loans and borrowings.

Loans and borrowings, which comprised term loan, finance leases and ROU liabilities, decreased from S\$1.59 million as at 31 December 2022 to S\$1.54 million as at 30 June 2023, due to (i) repayment of bank loans of S\$0.04 million, and (ii) repayment of finance leases and ROU liabilities of S\$0.01 million.

#### (iv) Current liabilities

Current liabilities decreased by S\$0.93 million or 8%, from S\$11.44 million as at 31 December 2022 to S\$10.51 million as at 30 June 2023, mainly due to decrease in loans and borrowings, trade and other payables, and contract liabilities, partially offset by increase in income tax payables.

Loans and borrowings decreased from S\$2.64 million as at 31 December 2022 to S\$2.28 million as at 30 June 2023, mainly due to (i) repayment of short-term financing loan and term loans of S\$0.65 million, and (ii) repayment of ROU liabilities and finance leases of S\$0.34 million, partially offset by (a) increase in bank overdraft of S\$0.24 million, and (b) increase in ROU liabilities and finance leases of S\$0.39 million.

Trade and other payables decreased by S\$0.58 million or 7%, from S\$8.35 million as at 31 December 2022 to S\$7.78 million as at 30 June 2023, mainly due to settlement of trade and other payables. The Group's creditor turnover days increased from 109 days as at 31 December 2022 to 153 days as at 30 June 2023.

Contract liabilities decreased by S\$0.05 million or 23%, from S\$0.21 million as at 31 December 2022 to S\$0.16 million as at 30 June 2023, mainly due to decrease 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 1H2023.

#### (v) Non-controlling interests

Non-controlling interests of S\$0.77 million as at 30 June 2023 (S\$0.99 million as at 31 December 2022) related to profits accounted by 35%-owned subsidiary, Henan Yunzhi Security Technology Co., Ltd..

## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

#### (vi) Working Capital

As at 30 June 2023, the Group recorded positive working capital of S\$3.47 million (31 December 2022: S\$3.85 million), and a net asset value per share of 6.39 Singapore cents (31 December 2022: 6.58 Singapore cents).

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

Net cash generated from operating activities in 1H2023 was S\$0.86 million. This was mainly due to (i) profit before changes in working capital of S\$0.54 million, (ii) increase in inventories of S\$0.57 million, and (iii) increase in trade and other receivables of S\$0.20 million, partially offset by (a) decrease in contract liabilities of S\$0.04 million, and (b) decrease in trade and other payables of S\$0.40 million.

Net cash generated from investing activities in 1H2023 was S\$0.21 million, mainly due to redemption of short-term capital protected investments of S\$0.35 million, partially offset by purchase of property, plant and equipment of S\$0.14 million.

Net cash used in financing activities in 1H2023 was S\$1.08 million, due to (i) repayment of short-term financing loan of S\$0.57 million, (ii) repayment of lease liabilities of S\$0.35 million, (iii) interest paid to financial institutions of S\$0.10 million, and (iv) repayment of bank loan of S\$0.05 million.

As a result, the Group utilised cash and cash equivalents of S\$9,000 in 1H2023 and recorded a cash and cash equivalents of S\$1.82 million as at 30 June 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 six months ended 30 June 2023 set out in this announcement are in line with the profit guidance announcement released by the Company on 21 July 2023.

### 4 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group's businesses in Singapore witnessed subdued sales in 1H2023. Meanwhile, the China market is grappling with a mix of global market influences and domestic factors, leading to an uncertain outlook for the upcoming months.

The Group's businesses will adopt adaptive strategies to counter the ongoing uncertainty, including amplifying marketing efforts for the distribution of cooling tower in Singapore and particularly in Malaysia. The Group did not supply cooling tower in Malaysia in the past. The Group intends to expand its business in Malaysia as it has great opportunity given its vast manufacturing activities and it is within the market reach of the Group's coverage.



## EINDEC CORPORATION LIMITED AND ITS SUBSIDIARIES

(Company Registration No. 201508913H)

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

Simultaneously, the China market's uncertainties necessitate a cautious and adaptive approach to capitalize on its vast potential. The Group has expanded its principal activities into e-commerce trading, as announced on 5 May 2023. Expanding into e-commerce trading is a promising and strategic move for the Group, considering the growing significance of online retail in today's business landscape. The Management is of the view that e-commerce could bring in more revenue with good profit margin to the Group, aiming to create more value for shareholders of the Company. To ensure long term sustainability, the Group maintains a cautious approach for the next 12 months.

#### 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 1H2023. The Board of Directors deems it appropriate to conserve funds for the Group's business activities as the Group recorded net loss for 1H2023.

##### 5b. Corresponding Period of the Immediately Preceding Financial Year

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

None.

##### 5c. Date Payable

Not applicable.

##### 5d. Record Date

Not applicable.

#### 6 Interested person transactions ("IPTs")

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 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)

**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 2023 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 1H2023.

## ORDER OF THE BOARD

### EINDEC CORPORATION LIMITED

Zhang Wei

Executive Chairman and Chief Executive Officer

Singapore

10 August 2023