

AP OIL INTERNATIONAL LIMITED

Registration No. 197502257M

(Incorporated in Singapore)

**REVENUE AND OTHER INFORMATION OF FRANCHISING SEGMENT MERGED
INTO THE TRADING SEGMENT**

The Board of Directors (the "Board") of AP Oil International Limited (the "Company"), and together with its subsidiaries, (the "Group") would like to announce merger of the revenue and other information from the Franchising segment into the Trading segment, with effect from the financial year ended 31 December 2021 ("FY2021").

The Group was organised in three operating segments of Manufacturing, Trading and Franchising. In FY2021, the Franchising segment contributed revenue of S\$4.0 million to Group revenue; and \$2.3 million in the financial year ended 31 December 2020 ("FY2020").

The Franchising segment revenue included sale of raw materials to franchisees, these revenue are mainly Trading related. Royalty revenue from the franchisees has not been material and sourcing of additional franchisees would no longer be the Group's focus. Instead, sale of raw materials to franchisees shall be the focus which is mainly Trading related. As such, it will no longer be meaningful to report Franchising segment as a separate segment.

In view of the above, the revenue and other information from the Franchising segment shall be merged into the Trading segment, with effect from FY2021. The Franchising segment revenue and other information for FY2020, previously reported under "Franchising segment" is restated by merging into the Trading segment.

The updated Segment information for FY2021 and FY2020 is summarised in Appendix A.

By Order of the Board

HO CHEE HON

Group Chief Executive Officer

24 February 2022

SEGMENT INFORMATION

With effect from FY2021, the revenue, gross profit, total assets and total liabilities from the Franchising segment are merged into the Trading segment. The Franchising segment information for FY2020 is restated for comparability with the FY2021 segment presentation. The Franchising segment information for FY2021 which is merged; and for FY2020 which is restated by merging into the Trading segment are summarised below:

	FY2021 S\$'000	FY2020 S\$'000
Revenue	4,043	2,333
Gross profit	561	397
Total assets	1,971	940
Total liabilities	177	190

The segment information of the Group after merging Franchising segment information into Trading segment is summarised below:

	Manufacturing S\$'000	Trading S\$'000	Unallocated S\$'000	Group S\$'000
Revenue				
- FY2021	27,490	28,124	-	55,614
- FY2020	33,691	23,458	-	57,149
Gross profit				
- FY2021	5,784	4,172	-	9,956
- FY2020	6,658	2,001	-	8,659
Total assets				
- FY2021	19,209	7,880	48,974	76,063
- FY2020	19,017	6,151	51,285	76,453
Total liabilities				
- FY2021	2,391	2,303	12,241	16,935
- FY2020	4,150	2,747	13,206	20,103