



AP OIL INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Registration No.: 197502257M)

Condensed Interim Consolidated Financial Statements

For First Half Year Ended 30 June 2023

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Change %
		First half year ended 30 Jun 2023 S\$'000	30 Jun 2022 S\$'000	
Revenue	#	20,750	31,129	-33%
Cost of sales	1, 3	(17,467)	(26,444)	-34%
Gross profit		3,283	4,685	-30%
Interest income	#	312	60	N.M.
Other gains	2	262	233	12%
Distribution costs	3	(818)	(762)	7%
Administrative expenses	1, 3	(2,971)	(3,141)	-5%
Finance costs	4	(71)	(95)	-25%
Other losses	5	(24)	(3)	N.M.
Share of results of equity-accounted joint ventures	#	137	189	-28%
Profit before tax		110	1,166	-91%
Income tax expense	6	(3)	(130)	-98%
Profit after tax		107	1,036	-90%
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss subsequently to profit or loss				
Exchange differences on translation from functional currency to presentation currency	7	422	1,472	-71%
Share of other comprehensive income/(loss) from equity -accounted joint ventures, net of tax		23	(78)	-129%
Other comprehensive income for the period, net of tax		445	1,394	-68%
Total comprehensive income for the period		552	2,430	-77%
Earnings per share		Singapore Cents	Singapore Cents	
Basic and diluted		0.065	0.630	-90%

Note:

#: Refer to page 18 for notes.

N.M.: Not meaningful

Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

1. Depreciation

The depreciation for the (i) first half year ended 30 June 2023 ("1H2023") and (ii) first half year ended 30 June 2022 ("1H2022") are summarised below:

	Group	
	First half year ended 30 Jun 2023 S\$'000	30 Jun 2022 S\$'000
Depreciation for property, plant and equipment:		
Cost of sales	(494)	(391)
Administrative expenses	(308)	(290)
	(802)	(681)
Depreciation for right-of-use assets:		
Cost of sales	(162)	(160)
Administrative expenses	(5)	(74)
	(167)	(234)
Total depreciation:		
Cost of sales	(656)	(551)
Administrative expenses	(313)	(364)
	(969)	(915)

2. Other gains

	Group	
	First half year ended 30 Jun 2023 S\$'000	30 Jun 2022 S\$'000
Foreign exchange adjustments gain	-	99
Gain on disposal of plant and equipment	1	6
Government grants	94	52
Interest income from insurance policy	40	22
Reversal for allowance for impairment on trade receivables	24	-
Royalty and licensing fee income	37	53
Income from 2019 agreement #	63	-
Other income	3	1
	262	233

(#) In 2008, a subsidiary entered into an agreement with a Vietnamese company to establish a joint arrangement for acquiring three parcels of land in Vietnam. The subsidiary paid a deposit of US\$468,800. However, the land purchase and joint arrangement did not materialise. In 2019, the subsidiary and the Vietnam company entered into an agreement to terminate the original arrangement and the deposit of US\$468,800 and interest charges will be refunded. As at 30 June 2023, the deposit of US\$468,800 has been fully refunded. The surplus amount of US\$47,641 (equivalent to S\$63,000) received during 1H2023 are recorded as other gains. A balance amount of US\$171,537 remain to be paid by the Vietnam Company, it shall be recognised as other gain when collected.

Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

3. Employee benefits expense

	Group First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
Total employee benefits expense charged are as follows:		
Cost of sales	(1,029)	(888)
Distribution costs	(536)	(420)
Administrative expenses	(1,817)	(1,971)
	<u>(3,382)</u>	<u>(3,279)</u>

4. Finance costs

	Group First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
Bank loan interest	-	(24)
Lease liabilities interest	(71)	(71)
	<u>(71)</u>	<u>(95)</u>

5. Other losses

	Group First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
Allowance for impairment on trade receivables	-	(3)
Bad debts written off on trade receivables	(2)	-
Foreign exchange adjustments losses	(21)	-
Plant and equipment written-off	(1)	-
	<u>(24)</u>	<u>(3)</u>

Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

6. Taxation

	Group	
	First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
Current tax expense	-	(88)
Deferred tax expense	(2)	(38)
Withholding tax expense	(1)	(4)
	<u>(3)</u>	<u>(130)</u>

Deferred tax expense relates to origination and reversal of temporary differences.

7. Exchange differences

Exchange differences arose mainly from the translation of assets and liabilities in the Group with US dollar functional currency to the presentation currency (i.e. Singapore Dollar) at the financial period end exchange rate.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company		
		30 Jun 2023 S\$'000	31 Dec 2022 S\$'000	% Change	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000	% Change
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	1	15,335	11,685	31%	414	442	-6%
Right-of-use assets	#	5,008	4,806	4%	1,205	1,185	2%
Goodwill	2	409	409	0%	-	-	0%
Investments in subsidiaries		-	-	0%	17,467	17,256	1%
Investments in joint ventures	#	2,593	2,432	7%	516	510	1%
Deferred tax assets		51	50	2%	-	-	0%
Other financial assets	3	7,033	6,912	2%	6,697	6,580	2%
Other receivable	4	-	-	0%	600	-	N.M.
Total non-current assets		30,429	26,294	16%	26,899	25,973	4%
<u>Current assets</u>							
Inventories		8,719	9,117	-4%	-	-	0%
Trade and other receivables	#	5,016	5,714	-12%	13,206	12,975	2%
Other assets	#	726	2,749	-74%	17	13	31%
Cash and cash equivalents	#	23,509	24,698	-5%	5,914	6,454	-8%
Total current assets		37,970	42,278	-10%	19,137	19,442	-2%
Total assets		68,399	68,572	0%	46,036	45,415	1%
EQUITY AND LIABILITIES							
<u>Equity attributable to owners of the Company</u>							
Share capital		6,606	6,606	0%	6,606	6,606	0%
Retained earnings		47,160	47,876	-1%	36,944	36,718	1%
Other reserves	#	3,727	3,282	14%	(981)	(1,493)	34%
Total equity		57,493	57,764	0%	42,569	41,831	2%
<u>Non-current liabilities</u>							
Deferred tax liabilities		649	640	1%	-	-	0%
Lease liabilities	#	4,970	4,776	4%	1,227	1,218	1%
Other non-financial liabilities	5	491	-	N.M.	-	-	0%
Total non-current liabilities		6,110	5,416	13%	1,227	1,218	1%
<u>Current liabilities</u>							
Income tax payable		-	171	-100%	-	-	0%
Lease liabilities	#	294	283	4%	55	54	2%
Trade and other payables	#	4,444	4,938	-10%	2,185	2,312	-5%
Other non-financial liabilities	5	58	-	N.M.	-	-	0%
Total current liabilities		4,796	5,392	-11%	2,240	2,366	-5%
Total liabilities		10,906	10,808	1%	3,467	3,584	-3%
Total equity and liabilities		68,399	68,572	0%	46,036	45,415	1%
		Singapore Cents	Singapore Cents		Singapore Cents	Singapore Cents	
Net asset value per share		34.94	35.11	0%	25.87	25.42	2%

Note:

: Refer to pages 18 and 19 for notes.

Notes to the Condensed Interim Statements of Financial Position

1. Property, plant and equipment

Group capitalised assets of S\$4,432,000 in 1H2023 as addition to property, plant and equipment (1H2022: S\$291,000). Included in the amount of S\$4,432,000 was expenditure of S\$2,336,000 paid in prior financial years, and now capitalised in 1H 2023.

2. Goodwill

	Group	
	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
At beginning and end of the year	409	409

Goodwill is allocated to a cash generating unit which represents the Group's investment in GB Chemicals Pte Ltd, a subsidiary of the Company. No impairment allowance was recognised by the Group as the recoverable amount of the cash generating unit is higher than its carrying amount.

3. Other financial assets

	Group	
	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
At amortised cost:		
Key man life insurance policy	1,021	973
At fair value through profit or loss:		
Unquoted investments	6,012	5,939
	<u>7,033</u>	<u>6,912</u>

The fair value of the unquoted investments has been determined based on adjusted net asset approach and is categorised within Level 3 of the fair value hierarchy.

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Unadjusted quoted prices in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 which are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) Inputs for the assets or liabilities which are not based on observable market data (Level 3).

Notes to the Condensed Interim Statements of Financial Position

4. Other receivable

	Company	
	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
Amount due from subsidiary	600	-

The Company provided an intercompany loan of S\$1,200,000 to a wholly owned subsidiary, GB Chemicals Pte Ltd for the purchase of 17C Tuas Road factory. The above amount of S\$600,000 is due after 12 months from 30 June 2023. Another S\$600,000 is due within 12 months from 30 June 2023, which is recorded in current assets under trade and other receivables.

5. Other non-financial liabilities

	Group	
	30 Jun 2023 S\$'000	31 Dec 2022 S\$'000
Deferred income:		
Government grant related to asset purchase	549	-
Presented as follows:		
Non-current	491	-
Current	58	-
	549	-

The Group received an Enterprise Development Grant (the "Grant") from Enterprise Singapore Board in 1H2023. The Grant is to support the purchase of a new automated bottle filling line to improve productivity. The Grant is recognised in the profit or loss over the useful life of the automated bottle filling line.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
Current period				
Opening balance at 1 Jan 2023	6,606	47,876	3,282	57,764
Changes in equity				
Total comprehensive income for the period	-	107	445	552
Dividend paid	-	(823)	-	(823)
Closing balance at 30 Jun 2023	6,606	47,160	3,727	57,493
Previous period				
Opening balance at 1 Jan 2022	6,606	48,423	4,099	59,128
Changes in equity				
Total comprehensive income for the period	-	1,036	1,394	2,430
Dividend paid	-	(1,645)	-	(1,645)
Closing balance at 30 Jun 2022	6,606	47,814	5,493	59,913

	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
Company				
Current period:				
Opening balance at 1 Jan 2023	6,606	36,718	(1,493)	41,831
Changes in equity				
Total comprehensive income for the period	-	1,049	512	1,561
Dividend paid	-	(823)	-	(823)
Closing balance at 30 Jun 2023	6,606	36,944	(981)	42,569
Previous period				
Opening balance at 1 Jan 2022	6,606	35,812	(1,025)	41,393
Changes in equity				
Total comprehensive income for the period	-	3,163	1,446	4,609
Dividend paid	-	(1,645)	-	(1,645)
Closing balance at 30 Jun 2022	6,606	37,330	421	44,357

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	110	1,166
Adjustments for:		
Interest income	(312)	(60)
Interest expense	71	95
Interest income from insurance policy	(40)	(22)
Insurance premium charged to profit or loss	4	4
Depreciation of property, plant and equipment	802	681
Depreciation of right-of-use assets	167	234
Government grant income related to asset purchase	(28)	-
Share of results of equity-accounted joint ventures, net of tax	(137)	(189)
Plant and equipment written off	1	-
Gain on disposal of plant and equipment	(1)	(6)
Operating cash flows before changes in working capital	637	1,903
Inventories	510	(3,406)
Trade and other receivables	768	261
Other assets	(313)	(398)
Trade and other payables	(555)	1,143
Net cash flows from/(used in) operations	1,047	(497)
Income tax paid	(191)	(114)
Net cash flows generated from/(used in) operating activities	856	(611)
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(2,096)	(261)
Proceeds from disposal of plant and equipment	1	11
Receipt of government grant related to asset purchase	560	-
Refund of prepayment for purchase of land	-	67
Interest received	312	60
Net cash flows used in investing activities	(1,223)	(123)
<u>Cash flows from financing activities</u>		
Dividend paid	(823)	(1,645)
Repayment of bank borrowing	-	(4,460)
Repayment of lease liabilities	(150)	(206)
Interest paid	(71)	(95)
Net cash flows used in financing activities	(1,044)	(6,406)
Net decrease in cash and cash equivalents	(1,411)	(7,140)
Cash and cash equivalents, statement of cash flows, beginning balance	24,698	32,775
Net effect of exchange rate changes on cash and cash equivalents	222	488
Cash and cash equivalents, statement of cash flows, ending balance	23,509	26,123

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

AP Oil International Limited is incorporated and domiciled in Singapore, and its shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed consolidated financial statements for 1H2023 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities and operating segments of the Group are as follows:

- (a) Manufacturing segment, which includes manufacturing of a range of lubricating oil and specialty chemicals for industrial, automotive and marine applications, as well as the provision of oil blending services and rental of cleaning equipment to its customers ("Manufacturing segment"); and
- (b) Trading segment, which includes trading in base oil, lubricant components, commodity chemicals etc. ("Trading segment").

More information on operating segment is disclosed in Note 4 below.

2. Basis of Preparation

The condensed interim 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 condensed interim 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 interim financial statements for the period ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous 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 condensed interim financial statements are presented in Singapore dollar as the Condensed Interim Financial Statements are meant primarily for users in Singapore. The amounts are rounded to nearest thousand, unless otherwise stated.

2.1. New and amended accounting standards adopted by the Group

A number of amendments to accounting standards have become applicable for the current reporting period. Those applicable new or revised standards do not require any significant modification or the presentation in the financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 for 1H2023 were the same as those that were applied to the consolidated financial statements for year ended 31 December 2022.

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.

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors in 1H2023.

4. Segment and revenue information

The Group is organised into Manufacturing segment and Trading segment. The business activities of these segments are disclosed in Note 1 above.

4.1. Reportable segments

	First half year ended							
	Manufacturing		Trading		Unallocated		Total	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations								
Revenue by segment								
Total revenue by segment	15,407	19,094	5,941	13,033	-	-	21,348	32,127
Inter-segment sales	(366)	(400)	(232)	(598)	-	-	(598)	(998)
External revenue	15,041	18,694	5,709	12,435	-	-	20,750	31,129
Gross profit	2,787	3,552	496	1,133	-	-	3,283	4,685
Interest income					312	60	312	60
Other gains					262	233	262	233
Finance costs					(71)	(95)	(71)	(95)
Other losses					(24)	(3)	(24)	(3)
Unallocated expense					(3,789)	(3,903)	(3,789)	(3,903)
Share of results of joint ventures					137	189	137	189
Profit before tax							110	1,166
Income tax expense					(3)	(130)	(3)	(130)
Profit net of tax							107	1,036
Other material items and reconciliations								
Depreciation expense	447	283	97	36	425	596	969	915
Capital expenditure	2,438	269	18	-	2,331	41	4,787	310

	Manufacturing As at		Trading As at		Unallocated As at		Total As at	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and reconciliations								
Total assets for reportable segments	23,252	24,072	4,306	6,521	40,841	42,989	68,399	73,582
Liabilities and reconciliations								
Total liabilities for reportable segments	2,481	3,937	1,248	2,260	7,177	7,472	10,906	13,669

4.2. Disaggregation of revenue

	First half year ended					
	Manufacturing		Trading		Total	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services						
Sale of goods	13,530	17,113	5,687	12,417	19,217	29,530
Rendering of services	660	788	23	18	683	806
Rental revenue	850	793	-	-	850	793
Total revenue	15,040	18,694	5,710	12,435	20,750	31,129
Duration of contracts						
Short-term contracts	15,040	18,694	5,710	12,435	20,750	31,129
Total revenue	15,040	18,694	5,710	12,435	20,750	31,129
Timing of revenue recognition						
Point in time	14,190	17,901	5,710	12,435	19,900	30,336
Over time	850	793	-	-	850	793
Total revenue	15,040	18,694	5,710	12,435	20,750	31,129

Operating segment

Manufacturing segment and Trading segment contributed 72% and 28% of the Group's revenue in 1H2023 respectively (1H2022: 60% for Manufacturing segment and 40% for Trading segment).

4.3. Geographical information

The revenue is disaggregated into 5 principal geographical areas, namely Singapore, Southeast Asia (excluding Singapore), Middle East, Indian Subcontinent and other Region.

	First half year ended			
	30 Jun 2023		30 Jun 2022	
	S\$'000	% of total	S\$'000	% of total
Singapore	13,831	67%	21,610	69%
Southeast Asia (excluding Singapore)	2,821	14%	5,537	18%
Middle East	1,356	7%	627	2%
Indian Subcontinent	1,100	5%	527	2%
Other Region	1,642	7%	2,828	9%
	<u>20,750</u>	100%	<u>31,129</u>	100%

Geographical segment

Group revenue contribution from Singapore in 1H2023 was 67%; and remaining geographical regions contributed 33% to the Group's revenue.

4.4. Information about major customers

In 1H2023, 2 customers contributed more than 10% of the Group's revenue (1H2022: 2 customers) and total sales were S\$5.8 million (1H2022: S\$8.6 million).

5. Significant related party transactions

The significant transactions entered between the Group and the related parties are as follows:

	Group	
	First half year ended	
	30 Jun 2023	30 Jun 2022
	S\$'000	S\$'000
<u>Joint ventures</u>		
Sale of goods	620	3,044
Licensing fee income	6	30

6. Other notes

The notes to condensed interim consolidated statement of comprehensive income and condensed interim consolidated statements of financial position are disclosed on pages 4 to 6 and pages 8 to 9 respectively.

7. Subsequent events

There are no known subsequent events which would lead to adjustment to this set of condensed interim consolidated financial statements.

E. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no movement in the Company's share capital and no share options were issued from 1 January 2023 to 30 June 2023. NIL outstanding convertibles as at 30 June 2023 and 31 December 2022.

- 1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares was 164,531,172 as at 30 June 2023 and 31 December 2022.

- 1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company has no treasury shares.

- 1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company has no subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable as the figures have not been audited or reviewed.

- 3A. 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.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as there was no adverse opinion, qualified opinion or disclaimer opinion issued in the latest audited financial statements.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and method of computation in the current period financial statements as the previous audited financial statements except as stated in paragraph 5 below.

5. **If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

6. **Earnings per ordinary share of the company for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	First half year ended	
	30 Jun 2023	30 Jun 2022
	Singapore	Singapore
	Cents	Cents
(i) Based on weighted average number of ordinary shares in issue	0.065	0.630
(ii) On a fully diluted basis of weighted average number of ordinary shares in issue	0.065	0.630

The total earnings per ordinary share was calculated based on the weighted average number of ordinary shares in issue of 164,531,172 as at 30 June 2023 and as at 30 June 2022.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) **current period reported on; and**
(b) **immediately preceding financial year**

	30 Jun 2023	31 Dec 2022
	Singapore	Singapore
	Cents	Cents
Net asset value per ordinary share:		
Group	34.94	35.11
Company	25.87	25.42

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 164,531,172 as at 30 June 2023 and as at 31 December 2022.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

Statement of Comprehensive Income

- (i) Revenue for 1H2023 decreased by 33% year-on-year ("YoY") due mainly to lower Trading and Manufacturing revenue by S\$6.7 million and S\$3.7 million respectively.
- (ii) Gross profit decreased by 30% YoY due mainly to decline in revenue of 33% YoY.
- (iii) Interest income increased by S\$0.25 million YoY due to higher interest rate offered for bank fixed deposits.
- (iv) Distribution costs increased by 7% due mainly to lower 1H2022 employee costs after adjustment for over accrued bonus.
- (v) Administrative expenses decreased by 5% due mainly to lower bonus incentive accrual.
- (vi) Finance costs decreased by 25% after the bank loan was fully repaid in October 2022.
- (vii) Share of results of joint ventures decreased by 28% due mainly to lower profit contribution from a joint venture, AP Saigon Petro Joint Stock Company.
- (viii) Profit before tax ("PBT") decreased by 91% due to the lower gross profit resulting from the revenue decrease of 33% YoY.
- (ix) Income tax expense decreased by S\$0.1 million due mainly to lower PBT and utilisation of tax allowances.
- (x) Exchange difference arose mainly from the translation of assets and liabilities in the Group with US dollar functional currency to the presentation currency (i.e., Singapore dollar) at the financial period-end exchange rate. The income and expenses were translated at the average rate of exchange for the financial period.

Statement of Financial Position

- (i) Property, plant and equipment increased by 31% due mainly to the commissioned automated bottle filling line and purchase of 17C Tuas Road factory.
- (ii) Right-of-use assets increased by 4% due mainly to capitalisation of a new land lease.
- (iii) Investment in joint ventures increased by 7% due mainly to profit contribution from joint ventures.

- (iv) Trade and other receivables decreased by 12% as a result of lower revenue and higher account receivables collection.
- (v) Other assets decreased by 74% due to deposits were capitalised as property, plant and equipment.
- (vi) Other reserves increased by 14% due mainly to exchange difference from the translation of assets and liabilities in the Group with US dollar functional currency to the presentation currency (i.e. Singapore dollar) at the financial period end exchange rate.
- (vii) Lease liabilities increased by S\$0.2 million due mainly to capitalisation of a new land lease.
- (viii) Other non-financial liabilities of S\$0.5 million relates to the deferred income from Enterprise Development Grant.
- (ix) Trade and other payables decreased by 10% as lesser raw materials were purchased at period end.

Statement of Cash Flows

Cash flows from operating activities improved by S\$1.5 million due mainly to lower working capital in 1H2023.

Cash flows used in investing activities rose by S\$1.0 million due mainly to capital expenditures offset by government grant for the automated bottle filling line.

Cash flows used in financing activities was lower due to bank loan repayment in 1H2022.

Consequently, cash and cash equivalent of the Group decreased by S\$1.2 million from S\$24.7 million as at 31 December 2022 to S\$23.5 million due to payment for capital expenditures and dividend.

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

There is no significant variance from the previous disclosure of prospects statement.

10. 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.

Lower market demand led to pressure on selling prices resulting in challenging market conditions for the Group in the first half of 2023. This business environment is likely to persist till end of the year.

Given the healthy balance sheet, the management continues to seek new business opportunities to bolster the overall performance of the Group.

- 11. If a decision regarding dividend has been made:-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No.
- (b)(i) **Amount per share (cents)**
Nil.
- (ii) **Previous corresponding period (cents)**
Nil.
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not applicable.
- (d) **The date the dividend is payable.**
Not applicable.
- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**
Not applicable.
- 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**
No interim dividend has been recommended pending the full year results to determine the net increase / decrease in cash equivalents.
- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
The Group does not have a general mandate from shareholders for interested person transactions.
- 14. Negative confirmation pursuant to Rule 705(5).**
Please refer to the confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual on page 21.
- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**
The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for first half year ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ho Chee Hon
Group Chief Executive Officer
11 August 2023