



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 2024

TABLE OF CONTENTS

	PAGE
A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	7
C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY	10
D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	11
E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	12
F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	16

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Change %
		First half year ended		
		30 Jun 2024 S\$'000	30 Jun 2023 S\$'000	
Revenue	#	27,556	20,750	33%
Cost of sales	1, 3	(22,707)	(17,467)	30%
Gross profit		4,849	3,283	48%
Interest income	#	418	312	34%
Other gains	2	223	262	-15%
Distribution costs	3	(1,113)	(818)	36%
Administrative expenses	1, 3	(3,299)	(2,971)	11%
Finance costs	4	(69)	(71)	-3%
Other losses	5	(81)	(24)	238%
Share of results of equity-accounted joint ventures	#	49	137	-64%
Profit before tax		977	110	**
Income tax expense	6	(145)	(3)	**
Profit after tax		832	107	**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation from functional currency to presentation currency	7	1,033	422	145%
Share of other comprehensive (loss)/income from equity-accounted joint ventures, net of tax		(45)	23	-296%
Other comprehensive income for the period, net of tax		988	445	122%
Total comprehensive income for the period		1,820	552	230%
Earnings per share		Singapore Cents	Singapore Cents	
Basic and diluted		0.506	0.065	**

Note:

#: Refer to pages 18 and 19 for notes.

**: Change > 300%

Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

1. Depreciation

The depreciation for the (i) first half year ended 30 June 2024 ("1H2024") and (ii) first half year ended 30 June 2023 ("1H2023") are summarised below:

	Group	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Depreciation for property, plant and equipment		
Cost of sales	(520)	(494)
Administrative expenses	(277)	(308)
	<u>(797)</u>	<u>(802)</u>
Depreciation for right-of-use assets:		
Cost of sales	(165)	(162)
Administrative expenses	(6)	(5)
	<u>(171)</u>	<u>(167)</u>
Total depreciation:		
Cost of sales	(685)	(656)
Administrative expenses	(283)	(313)
	<u>(968)</u>	<u>(969)</u>

2. Other gains

	Group	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Gain on disposal of plant and equipment	7	1
Government grants	102	94
Interest income from insurance policy	42	40
Reversal for allowance for impairment on trade receivables	-	24
Royalty and licensing fee income	17	37
Income from 2019 agreement #	50	63
Other income	5	3
	<u>223</u>	<u>262</u>

(#) 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. The deposit of US\$468,800 was fully refunded in 2022. The surplus amount of US\$37,381 (equivalent to S\$50,000) received during 1H2024 are recorded as other gains. A balance amount of US\$91,591 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	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Total employee benefits expense charged are as follows:		
Cost of sales	(1,079)	(1,029)
Distribution costs	(689)	(536)
Administrative expenses	(2,151)	(1,817)
	<u>(3,919)</u>	<u>(3,382)</u>

4. Finance costs

	Group	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Lease liabilities interest	(69)	(71)
	<u>(69)</u>	<u>(71)</u>

5. Other losses

	Group	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Allowance for impairment on trade receivables	(39)	-
Bad debts written off on trade receivables	(2)	(2)
Foreign exchange adjustments losses	(40)	(21)
Plant and equipment written-off	-	(1)
	<u>(81)</u>	<u>(24)</u>

Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

6. Taxation

	Group	
	First half year ended	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
Current tax expense	(139)	-
Deferred tax expense	(5)	(2)
Withholding tax expense	(1)	(1)
	<u>(145)</u>	<u>(3)</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 2024 S\$'000	31 Dec 2023 S\$'000	% Change	30 Jun 2024 S\$'000	31 Dec 2023 S\$'000	% Change
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	1	14,244	14,581	-2%	347	370	-6%
Right-of-use assets		4,690	4,807	-2%	1,137	1,139	**
Goodwill	2	409	409	0%	-	-	0%
Investments in subsidiaries		-	-	0%	17,883	17,404	3%
Investments in joint ventures		2,444	2,439	**	516	502	3%
Deferred tax assets		44	52	-15%	-	-	0%
Other financial assets	3	7,080	6,854	3%	6,744	6,527	3%
Other receivables	4	471	229	106%	-	600	-100%
Total non-current assets		<u>29,382</u>	<u>29,371</u>	**	<u>26,627</u>	<u>26,542</u>	**
<u>Current assets</u>							
Inventories	#	11,348	7,733	47%	-	-	0%
Trade and other receivables		5,840	5,747	2%	14,673	13,948	5%
Other assets	#	859	1,348	-36%	13	10	30%
Cash and cash equivalents	#	26,187	25,047	5%	3,931	3,850	2%
Total current assets		<u>44,234</u>	<u>39,875</u>	11%	<u>18,617</u>	<u>17,808</u>	5%
Total assets		<u>73,616</u>	<u>69,246</u>	6%	<u>45,244</u>	<u>44,350</u>	2%
EQUITY AND LIABILITIES							
<u>Equity attributable to owners</u>							
<u>of the Company</u>							
Share capital		6,606	6,606	0%	6,606	6,606	0%
Retained earnings		47,585	47,576	**	36,040	36,367	**
Other reserves	#	3,491	2,503	39%	(1,006)	(2,134)	53%
Total equity		<u>57,682</u>	<u>56,685</u>	2%	<u>41,640</u>	<u>40,839</u>	2%
<u>Non-current liabilities</u>							
Deferred tax liabilities		646	637	1%	-	-	0%
Lease liabilities		4,684	4,817	-3%	1,167	1,196	-2%
Other non-financial liabilities	5	433	449	-4%	-	-	0%
Total non-current liabilities		<u>5,763</u>	<u>5,903</u>	-2%	<u>1,167</u>	<u>1,196</u>	-2%
<u>Current liabilities</u>							
Income tax payable		135	121	12%	-	-	0%
Lease liabilities		307	301	2%	58	58	0%
Trade and other payables	#	9,671	6,180	56%	2,379	2,257	5%
Other non-financial liabilities	5	58	56	4%	-	-	0%
Total current liabilities		<u>10,171</u>	<u>6,658</u>	53%	<u>2,437</u>	<u>2,315</u>	5%
Total liabilities		<u>15,934</u>	<u>12,561</u>	27%	<u>3,604</u>	<u>3,511</u>	3%
Total equity and liabilities		<u>73,616</u>	<u>69,246</u>	6%	<u>45,244</u>	<u>44,350</u>	2%
		Singapore Cents	Singapore Cents		Singapore Cents	Singapore Cents	
Net asset value per share		<u>35.06</u>	<u>34.45</u>	2%	<u>25.31</u>	<u>24.82</u>	2%

Note:

: Refer to pages 18 and 19 for notes.

** : Less than 1%

Notes to the Condensed Interim Statements of Financial Position

1. Property, plant and equipment

The Group capitalised assets of S\$176,000 in 1H2024 as addition to property, plant and equipment (1H2023: S\$4,432,000).

2. Goodwill

	Group	
	30 Jun 2024 S\$'000	31 Dec 2023 S\$'000
At beginning and end of the period/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 2024 S\$'000	31 Dec 2023 S\$'000
At amortised cost:		
- Key man life insurance policy	1,071	1,006
At fair value through profit or loss:		
- Unquoted investments	6,009	5,848
	<u>7,080</u>	<u>6,854</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

	Group	
	30 Jun 2024 S\$'000	31 Dec 2023 S\$'000
Convertible promissory note	471	229

The Group subscribed to convertible promissory notes ("CPN") at the total value of US\$350,000 issued by a Singapore company engaged in green hydrogen project in two tranches, first in September 2023 and second in January 2024. The CPN bears an interest of 9% per annum, repayable in 2026, with option to convert the CPN to equity. The CPN were measured as FVTPL, fair value is categorised within level 2 of the fair value hierarchy, based on the market approach.

5. Other non-financial liabilities

	Group	
	30 Jun 2024 S\$'000	31 Dec 2023 S\$'000
Deferred income:		
Government grant related to asset purchase	491	505
Presented as follows:		
Non-current	433	449
Current	58	56
	491	505

In 2023, the Group received an enterprise development grant from Enterprise Singapore Board to support purchase of a new automated bottle filling line. 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

	Attributable to owners of the company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
Group				
Current period				
Opening balance at 1 Jan 2024	6,606	47,576	2,503	56,685
Changes in equity				
Total comprehensive income for the period	-	832	988	1,820
Dividend paid	-	(823)	-	(823)
Closing balance at 30 Jun 2024	6,606	47,585	3,491	57,682
Previous 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

	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
	Company			
Current period				
Opening balance at 1 Jan 2024	6,606	36,367	(2,134)	40,839
Changes in equity				
Total comprehensive income for the period	-	496	1,128	1,624
Dividend paid	-	(823)	-	(823)
Closing balance at 30 Jun 2024	6,606	36,040	(1,006)	41,640
Previous 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

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	977	110
Adjustments for:		
Interest income	(418)	(312)
Interest expense	69	71
Interest income from insurance policy	(42)	(40)
Income from 2019 agreement (#)	(50)	(63)
Insurance premium charged to profit or loss	4	4
Depreciation of property, plant and equipment	797	802
Depreciation of right-of-use assets	171	167
Government grant income related to asset purchase	(29)	(28)
Share of results of equity-accounted joint ventures, net of tax	(49)	(137)
Plant and equipment written off	-	1
Gain on disposal of plant and equipment	(7)	(1)
Operating cash flows before changes in working capital	1,423	574
Inventories	(3,402)	510
Trade and other receivables	65	768
Other assets	526	(313)
Trade and other payables	3,321	(555)
Net cash flows from operations	1,933	984
Income tax paid	(126)	(191)
Net cash flows generated from operating activities	1,807	793
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(176)	(2,096)
Proceeds from disposal of plant and equipment	15	1
Receipt of government grant related to asset purchase	-	560
Subscription of convertible promissory note	(229)	-
Income from 2019 agreement (#)	50	63
Interest received	418	312
Net cash flows generated from/(used in) investing activities	78	(1,160)
<u>Cash flows from financing activities</u>		
Dividend paid	(823)	(823)
Repayment of lease liabilities	(150)	(150)
Interest paid	(69)	(71)
Net cash flows used in financing activities	(1,042)	(1,044)
Net increase/(decrease) in cash and cash equivalents	843	(1,411)
Cash and cash equivalents, statement of cash flows, beginning balance	25,047	24,698
Net effect of exchange rate changes on cash and cash equivalents	297	222
Cash and cash equivalents, statement of cash flows, ending balance	26,187	23,509

(#) Refer to Note 2 on page 4.

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 1H2024 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 1H2024 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 2023.

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 1H2024 were the same as those that were applied to the consolidated financial statements for year ended 31 December 2023.

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 1H2024.

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 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	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	18,514	15,407	10,076	5,941	-	-	28,590	21,348
Inter-segment sales	(365)	(366)	(669)	(232)	-	-	(1,034)	(598)
External revenue	18,149	15,041	9,407	5,709	-	-	27,556	20,750
Gross profit	3,800	2,787	1,049	496	-	-	4,849	3,283
Interest income					418	312	418	312
Other gains					223	262	223	262
Finance costs					(69)	(71)	(69)	(71)
Other losses					(81)	(24)	(81)	(24)
Unallocated expense					(4,412)	(3,789)	(4,412)	(3,789)
Share of results of joint ventures					49	137	49	137
Profit before tax							977	110
Income tax expense					(145)	(3)	(145)	(3)
Profit net of tax							832	107
Other material items and reconciliations								
Depreciation expense	464	447	32	97	472	425	968	969
Capital expenditure	153	2,438	-	18	46	2,331	199	4,787

	Manufacturing As at		Trading As at		Unallocated As at		Total As at	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and reconciliations								
Total assets for reportable segments	24,213	23,252	5,954	4,306	43,449	40,841	73,616	68,399
Liabilities and reconciliations								
Total liabilities for reportable segments	5,948	2,481	2,610	1,248	7,376	7,177	15,934	10,906

4.2. Disaggregation of revenue

	First half year ended					
	Manufacturing		Trading		Total	
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services						
Sale of goods	16,148	13,530	9,383	5,687	25,531	19,217
Rendering of services	1,162	660	24	23	1,186	683
Rental revenue	839	850	-	-	839	850
Total revenue	18,149	15,040	9,407	5,710	27,556	20,750
Duration of contracts						
Short-term contracts	18,149	15,040	9,407	5,710	27,556	20,750
Total revenue	18,149	15,040	9,407	5,710	27,556	20,750
Timing of revenue recognition						
Point in time	17,310	14,190	9,407	5,710	26,717	19,900
Over time	839	850	-	-	839	850
Total revenue	18,149	15,040	9,407	5,710	27,556	20,750

Operating segment

Manufacturing segment and Trading segment contributed 66% and 34% of the Group's revenue in 1H2024 respectively (1H2023: 72% and 28% respectively).

4.3. Geographical information

The revenue is disaggregated into 6 principal geographical areas, namely Singapore, Southeast Asia (excluding Singapore), Middle East, East Asia, Indian Subcontinent and other Region.

	First half year ended			
	30 Jun 2024		30 Jun 2023	
	S\$'000	% of total	S\$'000	% of total
Singapore	16,634	60%	13,831	67%
Southeast Asia (excluding Singapore)	3,925	14%	2,821	14%
Middle East	3,128	11%	1,356	7%
East Asia	2,206	8%	1,124	5%
Indian Subcontinent	1,032	4%	1,100	5%
Other Region	631	3%	518	2%
	<u>27,556</u>	100%	<u>20,750</u>	100%

Geographical segment

The Group's revenue contribution from Singapore in 1H2024 was 60%; and the remaining geographical regions contributed 40% to the Group's revenue (1H2023: 67% and 33% respectively).

4.4. Information about major customers

In 1H2024, 1 customer contributed more than 10% of the Group's revenue (1H2023: 2 customers) and total sales were S\$5.7 million (1H2023: S\$5.8 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 2024	30 Jun 2023
	S\$'000	S\$'000
<u>Joint ventures</u>		
Sale of goods	1,185	620
Licensing fee income	6	6

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 2024 to 30 June 2024. NIL outstanding convertibles as at 30 June 2024 and 31 December 2023.

- 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 excluding treasury shares was 164,531,172 as at 30 June 2024 and 31 December 2023.

- 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 2024. 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	
	30 Jun 2024	30 Jun 2023
	Singapore Cents	Singapore Cents
(i) Based on weighted average number of ordinary shares in issue	0.506	0.065
(ii) On a fully diluted basis of weighted average number of ordinary shares in issue	0.506	0.065

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 2024 and as at 30 June 2023.

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 2024	31 Dec 2023
	Singapore Cents	Singapore Cents
Net asset value per ordinary share:		
Group	35.06	34.45
Company	25.31	24.82

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 2024 and as at 31 December 2023.

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 1H2024 increased by 33% year-on-year ("YoY") due mainly to increase in Trading and Manufacturing revenue by S\$3.7 million and S\$3.1 million, respectively.
- (ii) Gross profit rose by 48% YoY due mainly to the 33% increase in revenue; and higher gross margin of 17.6% (1H2023: 15.8%).
- (iii) Interest income improved by S\$0.1 million YoY due to higher fixed deposit rate and higher cash balance.
- (iv) Distribution costs was higher by 36% YoY due to higher employee costs and freight costs to support the revenue increase; and higher travel expenses.
- (v) Administrative expenses increased by 11% YoY due to headcount replacement resulting in employee costs increase and higher travel expenses.
- (vi) Share of results of joint ventures decreased by 64% YoY arising from lower profit contribution from AP Saigon Petro Joint Stock Company.
- (vii) Profit before tax ("PBT") increased by \$0.9 million YoY due to the gross profit improvement from the 33% revenue increase.
- (viii) Income tax expense increased by S\$0.1 million due to the higher profit.
- (ix) 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) Other receivables was higher by \$0.2 million due to second tranche subscription of convertible promissory note, issued by a Singapore company engaged in green hydrogen project, in January 2024 (first tranche subscription was in September 2023).
- (ii) Inventories increased by 47% due to additional raw materials purchased and finished goods manufactured for sale in 3rd quarter of 2024.
- (iii) Other assets dropped by 36% as advance payment to suppliers was lower.
- (iv) Other reserves improved by 39% 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.
- (v) Trade and other payables increased by 56% because of higher raw materials purchased and advance payment from customers in 1H2024.

Statement of Cash Flows

Cash flows from operating activities improved by S\$1.0 million due mainly to higher PBT and better working capital in 1H2024.

Cash flows from investing activities rose by S\$1.2 million due mainly to lower capital expenditures, offset by the subscription of convertible promissory note.

Cash flows used in financing activities during 1H2024 were similar to 1H 2023.

Consequently, cash and cash equivalent of the Group increased from S\$25.0 million as at 31 December 2023 to S\$26.2 million due to higher cash flows generated from operating and investing activities, offset by cash flows used in financing activities.

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.

With the conflicts in Europe and Middle East, the risk of raw material price volatility and supply disruptions remain.

Out of this dynamic and uncertain operating environment, we are monitoring some opportunities. Given the healthy balance sheet of the Group, the management is in a position to proactively explore the viability of these opportunities to enhance the financial 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 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Ho Chee Hon
Group Chief Executive Officer
14 August 2024**