



Company Registration Number: 199905693M

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

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*This announcement has been prepared by CapAllianz Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

*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.*

**CAPALLIANZ HOLDINGS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

Consolidated Statement of Comprehensive Income	Note	Unaudited 1H FY2023 <sup>1</sup> US\$'000	Unaudited 1H FY2022 <sup>2</sup> US\$'000	Change %
Oil sale	2.5.1	1,984	1,271	56
Investment income	2.5.1	-	53	NM <sup>3</sup>
Total revenue		1,984	1,324	50
Cost of sales		(1,166)	(856)	36
Gross profit		818	468	75
<i>Other items of income</i>				
Interest income		1	1	-
Other income		58	17,729	(>100)
<i>Other items of expense</i>				
Administrative expenses		(1,023)	(1,682)	(39)
Finance costs		(177)	(85)	>100
Other charges		(7)	(1,236)	(99)
(Loss)/profit before income tax	2.7	(330)	15,195	NM <sup>3</sup>
Income tax (expense)/credit	2.8	(198)	121	NM <sup>3</sup>
<b>(Loss)/profit for the financial period</b>	2.7	(528)	15,316	NM <sup>3</sup>
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation		-	-	-
Other comprehensive income for the financial period, net of tax		-	-	-
<b>Total comprehensive (loss)/profit for the financial period</b>		(528)	15,316	NM <sup>3</sup>
<b>(Loss)/profit attributable to:</b>				
Owners of the Company		(528)	15,320	NM <sup>3</sup>
Non-controlling interests		-	(4)	NM <sup>3</sup>
		(528)	15,316	NM <sup>3</sup>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company		(528)	15,320	NM <sup>3</sup>
Non-controlling interests		-	(4)	NM <sup>3</sup>
		(528)	15,316	NM <sup>3</sup>

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)**

	Note	Unaudited 1H FY2023 <sup>1</sup> US\$'000	Unaudited 1H FY2022 <sup>2</sup> US\$'000	Change %
<b>Other income</b>				
Foreign exchange gain, net		57	88	(35)
Gain on recovery of loan to associate		-	153	NM <sup>3</sup>
Gain on settlement of bank loan		-	17,481	NM <sup>3</sup>
Other income		1	7	(86)
		58	17,729	(>100)
<b>Finance costs</b>				
Interest expense		(177)	(85)	>100
<b>Other charges/gains</b>				
Allowance for obsolescence		-	(238)	NM <sup>3</sup>
Loss on disposal of other property, plant and equipment		(4)	-	NM <sup>3</sup>
Net fair value changes in investment securities carried at fair value through profit or loss		(3)	(2)	50
Provision of impairment on other receivables		-	(996)	NM <sup>3</sup>
		(7)	(1,236)	(99)

<sup>1</sup> "1H FY2023": Six-month financial period from 1 July 2022 to 31 December 2022

<sup>2</sup> "1H FY2022": Six-month financial period from 1 July 2021 to 31 December 2021

<sup>3</sup> "NM": Not Meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		Unaudited 31-Dec-22 US\$'000	Audited 30-Jun-22 US\$'000	Unaudited 31-Dec-22 US\$'000	Audited 30-Jun-22 US\$'000
<b>Statements of Financial Position</b>					
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Exploration, evaluation and development assets		11,203	12,695	-	-
Oil and gas properties		58,117	56,920	-	-
Other property, plant and equipment		1,174	1,188	-	-
Right-of-use assets		278	-	278	-
Investments in subsidiaries		-	-	59,143	58,932
Other receivables		-	-	-	-
<b>Total Non-Current Assets</b>		<b>70,772</b>	<b>70,803</b>	<b>59,421</b>	<b>58,932</b>
<b>Current Assets</b>					
Inventories		1,876	1,819	-	-
Trade and other receivables	2.12	1,753	1,768	1,396	1,343
Investment securities	2.11	6	9	-	-
Cash and bank balances		1,723	1,413	91	646
<b>Total Current Assets</b>		<b>5,358</b>	<b>5,009</b>	<b>1,487</b>	<b>1,989</b>
<b>Total Assets</b>		<b>76,130</b>	<b>75,812</b>	<b>60,908</b>	<b>60,921</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	2.14	150,083	150,083	150,083	150,083
Reserves		-	-	-	-
Accumulated losses		(113,533)	(113,005)	(90,401)	(89,889)
Equity attributable to owners of the Company		36,550	37,078	59,682	60,194
Non-controlling interests		-	-	-	-
<b>Total Equity</b>		<b>36,550</b>	<b>37,078</b>	<b>59,682</b>	<b>60,194</b>
<b>Non-Current Liabilities</b>					
Provision for restoration costs		2,256	2,091	-	-
Deferred tax liabilities		34,329	34,201	-	-
Lease liabilities		115	-	115	-
<b>Total Non-Current Liabilities</b>		<b>36,700</b>	<b>36,292</b>	<b>115</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade and other payables		2,649	2,231	951	727
Bank borrowings	2.13	-	110	-	-
Lease liabilities		160	-	160	-
Income tax payables		71	101	-	-
<b>Total Current Liabilities</b>		<b>2,880</b>	<b>2,442</b>	<b>1,111</b>	<b>727</b>
<b>Total Liabilities</b>		<b>39,580</b>	<b>38,734</b>	<b>1,226</b>	<b>727</b>
<b>Total Equity and Liabilities</b>		<b>76,130</b>	<b>75,812</b>	<b>60,908</b>	<b>60,921</b>

**C. Condensed interim consolidated statement of cash flows**

	<b>Unaudited 1H FY2023 US\$'000</b>	<b>Unaudited 1H FY2022 US\$'000</b>
<b>Consolidated Statement of Cash Flows</b>		
<b>Operating activities</b>		
(Loss)/profit before income tax	(330)	15,195
Adjustments for:		
Net fair value changes in investment securities carried at fair value through profit or loss	3	2
Depreciation of other property, plant and equipment	22	44
Depreciation of right-of-use assets	64	-
Depletion of oil and gas properties	592	389
Allowance for obsolescence	-	238
Gain on settlement of bank loan	-	(17,481)
Gain on recovery of loan to associate	-	(153)
Loss on disposal of other property, plant and equipment	4	-
Provision of impairment on other receivables	-	996
Finance expense	177	85
Operating cash flows before working capital changes	532	(685)
Working capital changes:		
Inventories	(57)	(151)
Trade and other receivables	15	147
Trade and other payables	413	1,175
Cash generated from operations	903	1,026
Income tax paid	(100)	(15)
Net cash generated from operating activities	803	1,011
<b>Investing activities</b>		
Purchase of other property, plant and equipment	(12)	(86)
Additions to oil and gas properties	(297)	(709)
Loan to associate	-	(502)
Net cash used in investing activities	(309)	(1,297)
<b>Financing activities</b>		
Capital reserves	-	197
Interest paid	-	(18)
Net proceeds from issuance of ordinary shares including share issuance expenses	-	1,381
Repayment of bank borrowings	(110)	(1,114)
Repayment of lease liabilities	(74)	-
Net cash (used in)/generated from financing activities	(184)	446
Net change in cash and cash equivalents	310	160
Cash and cash equivalents at beginning of financial period	1,413	922
Cash and cash equivalents at end of financial period	1,723	1,082

D. Condensed interim statements of changes in equity

Statement of Changes in Equity	Note	Equity attributable to owners of the Company		
		Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Group				
Balance at 1 July 2022 (audited)	2.15	150,083	(113,005)	37,078
Loss for the financial period		-	(528)	(528)
<b>Total comprehensive loss for the financial period</b>		-	(528)	(528)
Balance at 31 December 2022 (unaudited)		150,083	(113,533)	36,550

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

Statement of Changes in Equity	Group	Note	Equity attributable to owners of the Company				Non-controlling interests	Total equity
			Share capital	Other reserve	Accumulated losses	Total		
			US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1 July 2021 (audited)		2.15	146,784	(5,102)	(122,617)	19,065	7	19,072
Profit/(loss) for the financial period			-	-	15,320	15,320	(4)	15,316
<b>Total comprehensive income/(loss) for the financial period</b>			-	-	15,320	15,320	(4)	15,316
Issuance of shares			1,381	197	-	1,578	-	1,578
Balance at 31 December 2021 (unaudited)			148,165	(4,905)	(107,297)	35,963	3	35,966



**D. Condensed interim statements of changes in equity (cont'd)**

<b>Statement of Changes in Equity</b>				
<b>Company</b>	<b>Note</b>	<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2022 (audited)	2.15	150,083	(89,889)	60,194
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>		-	(512)	(512)
Balance at 31 December 2022 (unaudited)		150,083	(90,401)	59,682

<b>Statement of Changes in Equity</b>					
<b>Company</b>	<b>Note</b>	<b>Share capital US\$'000</b>	<b>Other reserves US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
Balance at 1 July 2021 (audited)	2.15	146,784	-	(87,494)	59,290
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>		-	-	(1,809)	(1,809)
Issuance of shares		1,381	197	-	1,578
Balance at 31 December 2021 (unaudited)		148,165	197	(89,303)	59,059

## E. Notes to the condensed interim consolidated financial statements

### 1 Corporate Information

CapAllianz Holdings Limited (the “Company”) is a public limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of investment holding and provision of management services to its subsidiaries.

The principal activities of the Company’s subsidiaries and its associates are:

- a) Exploration and production of oil and gas;
- b) Investment holding and trading; and
- c) Investment holding and management of a retail supermarket.

#### 2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The 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 annual audited consolidated financial statements for the financial year ended 30 June 2022.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on as that of the Company’s most recently annual audited consolidated financial statements for the financial year ended 30 June 2022, except for the adoption of new and revised standards as set out in Note 2.2 of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements for the six months ended 31 December 2022 are presented in United States dollar which is the Company’s functional currency.

#### Going concern

The Group recorded net loss of US\$528,000 and net cash generated from operating activities of US\$803,000 for the six months ended 31 December 2022, and as of that date, the Group’s current assets exceeded its current liabilities by US\$2,478,000.

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern, and the condensed interim consolidated financial statements for the six months ended 31 December 2022 have been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and payable and realise its assets and extinguish its liabilities in the ordinary course of business.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively. These financial statements do not include any adjustment which may arise from these uncertainties.

#### 2.2 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 July 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations does not have any material effect on the financial performance of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

#### 2.3 Use of estimates and judgements

In preparing the condensed interim consolidated 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 were the same as those that were applied to the last annual audited consolidated financial statements as at and for the financial year ended 30 June 2022.

#### 2.4 Seasonal Operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

## 2.5 Segment and revenue information

For management purposes, the Group has two operating and reportable segments:

- Segment 1: Oil and gas segment – Comprising exploration, development and production activities and drilling activities; and
- Segment 2: Investment and trading segment – Mainly comprising the following business activities:
  - (a) Investment, including in private equity deals, pre-initial public offerings (mature stage), initial public offerings, fixed income and hybrid instruments; and
  - (b) Trading, including the trading of equities, commodities and other financial instruments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

### 2.5.1 Reportable segments

1H FY2023 (unaudited)	Oil and Gas	Investment and Trading	Unallocated	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
- Sales to external customers	1,984	-	-	1,984
<b>Results</b>				
Segment results	818	-	-	818
Interest income	-	-	1	1
Other income	1	-	57	58
Other charges	(4)	(3)	-	(7)
Finance costs	(165)	-	(12)	(177)
Administrative and other expenses	(474)	(246)	(303)	(1,023)
Loss before income tax				(330)
Income tax expense				(198)
<b>Loss for the financial period</b>				<b>(528)</b>
1H FY2022 (unaudited)	Oil and Gas	Investment and Trading	Unallocated	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue				
- Sales to external customers	1,271	53	-	1,324
<b>Results</b>				
Segment results	415	53	-	468
Interest income	-	-	1	1
Other income	17,488	153	88	17,729
Other charges	(238)	(998)	-	(1,236)
Finance costs	(81)	-	(4)	(85)
Administrative and other expenses	(1,273)	(115)	(294)	(1,682)
Profit before income tax				15,195
Income tax credit				121
<b>Profit for the financial period</b>				<b>15,316</b>

## 2.5.2 Disaggregation of Revenue

Revenue information based on geographical segments are as follows:

	Revenue 1H FY2023		
	Singapore US\$'000	Thailand US\$'000	Total US\$'000
Sales of crude oil <sup>(a)</sup>	-	1,984	1,984
Total	-	1,984	1,984

	Revenue 1H FY2022		
	Singapore US\$'000	Thailand US\$'000	Total US\$'000
Interest income <sup>(b)</sup>	53	-	53
Sales of crude oil <sup>(a)</sup>	-	1,271	1,271
Total	53	1,271	1,324

- (a) The Group derives revenue from the transfer of goods at a point in time and all customers are based in Thailand.  
(b) Interest income is calculated on effective interest method for loan to associated company.

## 2.6 Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of 31 December 2022 and 30 June 2022:

	Group		Company	
	31 December 2022 US\$'000 (Unaudited)	30 June 2022 US\$'000 (Audited)	31 December 2022 US\$'000 (Unaudited)	30 June 2022 US\$'000 (Audited)
<b>Financial assets</b>				
Cash and bank balances	1,723	1,413	91	646
Fair value through profit or loss (FVPL)	6	9	-	-
Trade and other receivables	1,710	1,712	1,373	1,314
	<b>3,439</b>	<b>3,134</b>	<b>1,464</b>	<b>1,960</b>
<b>Financial liabilities</b>				
Borrowings	-	110	-	-
Lease liability	275	-	275	-
Trade and other payables	2,649	2,231	951	727
	<b>2,924</b>	<b>2,341</b>	<b>1,226</b>	<b>727</b>

## 2.7 Profit/(loss) before taxation

### 2.7.1 Significant items

In addition to the charges and credits disclosed elsewhere in the notes, the profit/(loss) before taxation includes the following charges:

	Group	
	1H FY2023 US\$'000	1H FY2022 US\$'000
<b>Expenses by nature</b>		
Audit fees		
- Auditors of the Company	39	30
Depreciation of other property, plant and equipment	22	44
Depreciation of right-of-use assets	64	-
Depletion of oil and gas properties	592	389
Thailand Petroleum royalties and other government taxes	99	64
Directors' fees	68	56
Employee benefits expense		
- Salaries, bonuses and other short-term benefits	600	1,280
- Defined contributions plan expenses	19	15
Production expense	435	372
Professional fees	65	107
Transportation	39	30
Rental expense – short term lease	12	13
Other expenses	135	138
<b>Total cost of sales and administrative expenses</b>	<b>2,054</b>	<b>2,400</b>

### 2.7.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim consolidated financial statements.

## 2.8 Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Major components of income tax credit/expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H FY2023 US\$'000	1H FY2022 US\$'000
Current tax		
- current financial period	(70)	(21)
Deferred tax		
- current financial period	(128)	142
	<b>(198)</b>	<b>121</b>

## 2.9 (Loss)/earnings per share

(Loss)/earnings per share of the Group based on (loss)/profit attributable to owners of the Company	1H FY2023	1H FY2022
- Basic (US cents)	(0.01)	0.22
- On a fully diluted basis (US cents)	(0.01)	0.22

### Notes:

The basic and diluted loss per share for 1H FY2023 are calculated based on 8,552,536,571 weighted average number of ordinary shares in issue. The basic and diluted earnings per share for 1H FY2022 are calculated based on 7,061,613,509 weighted average number of ordinary shares in issue.

Diluted loss per share for 1H FY2023 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive. Diluted earnings per share for 1H FY2022 is the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive.

## 2.10 Net Asset Value

	Group 31-Dec-22	Group 30-Jun-22	Company 31-Dec-22	Company 30-Jun-22
Net asset value per share (US cents)	0.43	0.43	0.70	0.70

### Note:

The net asset value per share as at 31 December 2022 and 30 June 2022 are calculated based on 8,552,538,955 and 8,552,536,455 ordinary shares in issue respectively.

## 2.11 Fair value measurement

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments carried at fair value (recurring measurements) by level of fair value hierarchy:

	Group			Total US\$'000
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
<b>As at 31 December 2022</b>				
Financial asset, at FVPL	6	-	-	6
<b>As at 30 June 2022</b>				
Financial asset, at FVPL	9	-	-	9

*Fair value of financial instruments that are not carried at fair value*

The carrying amounts of the Group's and the Company's current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

## 2.12 Trade and other receivables

Trade and other receivables consist of trade receivable from non-related party, other receivables from non-related parties, subsidiary corporations and associated companies, deposits, and prepayments.

Other receivables due from subsidiary corporations are unsecured, interest-free and repayable on demand.

In accordance with the expected credit loss assessment methodology adopted by the management in the assessment of the recoverability of the loan extended by the Group to an associated company for general working capital purposes, the Board and the management decided to adopt a prudent approach and an impairment loss on other receivables due from an associated company (which related to the aforementioned loan) amounting to US\$996,000 was made during the six months ended 31 December 2021.

No such impairment loss on other receivables was made during the six months ended 31 December 2022.

## 2.13 Borrowings

Group	Maturity	Current US\$'000	Non-current US\$'000	Total US\$'000
<b>As at 31 December 2022</b>				
<u>Secured</u>				
Thailand HSBC Loan	On demand	-	-	-
<b>As at 30 June 2022</b>				
<u>Secured</u>				
Thailand HSBC Loan	On demand	110	-	110

### Thailand HSBC Loan

This loan is in relation to the Thailand Operations (as defined below). During the financial year ended 30 June 2022, the Thailand Operations utilised its existing credit facilities to finance the drilling of new wells. The loan has been fully repaid in July 2022.

## 2.14 Share capital

	Group and Company			
	31 December 2022		30 June 2022	
	Number of shares	US\$'000	Number of shares	US\$'000
<b>Issued and fully paid ordinary shares</b>				
At beginning of financial period	8,552,536,455	150,083	6,867,914,879	146,784
Issuance of ordinary shares	2,500	-	1,684,621,576	3,245
Share awards vested	-	-	-	96
Share issue expense	-	-	-	(42)
At end of financial period	8,552,538,955	150,083	8,552,536,455	150,083

### Outstanding convertibles

Warrants:

- As at 31 December 2022
- As at 31 December 2021

Number of outstanding  
convertibles

-  
487,502,256

Save for the above, there were no other outstanding convertibles as at 31 December 2022 and 31 December 2021.

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2022, 30 June 2022 and 31 December 2021.

## **2.15 Subsequent events**

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



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

### 1. 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 by the Company's auditors.

### 2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

### 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. The Group's latest audited consolidated financial statements for the financial year ended 30 June 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

### 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.

#### Oil and gas business

Oil prices is expected to remain volatile with fears of a global recession in 2023. In addition, China, who is the world's largest importer of oil, is likely to increase oil demand by 800,000 barrels per day this year after abandoning its zero-COVID policy. In its forecast report entitled "Short-Term Energy Outlook" that was released in January 2023, the U.S Energy Information Administration had forecasted that the Brent crude oil price will average at US\$83 per barrel in 2023, down by 18% from 2022, and continue to fall to US\$78 per barrel in 2024 as global oil inventories build, putting downward pressure on crude oil prices<sup>1</sup>.

The joint operators of the Group's 20% stake in the Thailand onshore oil concessions located in Phetchabun Basin (the "Thailand Operations") has started a new drilling campaign in January 2023. This is expected to be fully funded by the positive cash flow generated from the sale of oil drawn from the existing producing wells and bank facilities available to the Thailand Operations.

#### Investment and trading-related activities

The Group's investment business will progress more cautiously as market sentiments continue to be weak in fear of a global recession as worldwide large corporations are laying off staffs and cutting costs.

The Group will continue to source for new business opportunities to deliver value to its shareholders, while working towards raising oil production and revenue at its Thailand Operations.

In addition, the Group continually explores opportunities with respect to existing businesses of the Group to unlock value for its shareholders.

<sup>1</sup> <https://www.eia.gov/outlooks/steo/>

## 5. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

### (b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

### (c) Date payable

Not applicable.

**(d) 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.

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for 1H FY2023 as the Group conserves its funds for working capital purposes.

**7. 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 has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions above S\$100,000 entered into by the Group in the current financial period reported on.

**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.**

#### **Review for 1H FY2023 vs 1H FY2022**

##### Consolidated Statement of Comprehensive Income

Revenue increased by US\$0.66M or 50%, from US\$1.32M in 1H FY2022 to US\$1.98M in 1H FY2023, due to the increase in revenue from the oil and gas business segment. The increase in revenue from the oil and gas business segment was mainly due to an increase in the average oil price from US\$73.63 per barrel in 1H FY2022 to US\$90.58 per barrel in 1H FY2023. The impact of the aforementioned increase in average oil price was further enhanced by the increase in the Group's share of oil production volume from the Thailand Operations of 3,856 barrels, from 17,765 barrels in 1H FY2022 to 21,621 barrels in 1H FY2023. Investment income, relating to the interest income earned from the loan extended to the Company's associate company, Preferred Mart Pte. Ltd., was absent in 1H FY2023, as compared to US\$53,000 recorded in 1H FY2022. This was due to the loan having been fully impaired by the Group and the Company in the financial statements for the financial year ended 30 June 2022 as a result of a one-off full impairment of the loan.

Cost of sales, relating to the cost of oil and gas sold, increased by US\$0.31M or 36%, from US\$0.86M in 1H FY2022 to US\$1.17M in 1H FY2023, in line with the increase in revenue in 1H FY2023.

As a result of the higher percentage increase in revenue by 50% as compared to the percentage increase in cost of sales by 36%, gross profit increased by US\$0.35M, from a gross profit of US\$0.47M in 1H FY2022 to a gross profit of US\$0.82M in 1H FY2023.

Other income decreased by US\$17.67M, from US\$17.73M in 1H FY2022 to US\$0.06M in 1H FY2023. Other income in 1H FY2022 comprised mainly (i) a one-off gain on settlement of the term loan with OCBC Bank amounting to US\$17.48M; and (ii) a one-off gain on recovery of the loan extended to the Company's associate company, FIT Global Pte. Ltd., amounting to US\$0.15M. Such one-off gains were absent in 1H FY2023. Other income in 1H FY2023 comprised mainly foreign exchange gain (net) of US\$0.06M, which reduced by 35% from US\$0.09M in 1H FY2022.

Administrative expenses decreased by US\$0.66M, from US\$1.68M in 1H FY2022 to US\$1.02M in 1H FY2023, mainly due to a decrease in staff costs. Depreciation of right-of-use assets of US\$0.01M was recorded in 1H FY2023 (1H FY2022: US\$nil) as a result of the new lease for the Company's new office.

Finance costs increased by US\$0.09M, from US\$0.09M in 1H FY2022 to US\$0.18M in 1H FY2023, mainly due to (i) an increase of unwinding of discount on provisions for restoration costs in relation to the Thailand Operations amounting to US\$0.10M; and (ii) an increase of interest expense on lease liabilities of US\$0.01M, which were partially offset against the decrease in repayment of bank interest of US\$0.02M.

Other charges decreased by US\$1.23M, from US\$1.24M in 1H FY2022 to US\$0.01M in 1H FY2023. Other charges in 1H FY2022 comprised mainly (i) a one-off provision of impairment on other receivables of US\$0.99M (please refer to Note 2.12 under Section E to this set of condensed interim consolidated financial statements for more information); and (ii) a one-off allowance for obsolescence of drilling equipment and spare parts in relation to the Thailand Operations of US\$0.24M. Such one-off charges were absent in 1H FY2023. Other charges in 1H FY2023 comprised loss on disposal of other property, plant and equipment and net fair value changes in investment securities carried at fair value through profit or loss, of which their respective amounts was insignificant.

The income tax expense of US\$0.20M recorded in 1H FY2023 arose from the Thailand Operations.

As a result of the above, the Group recorded a loss after income tax of US\$0.53M in 1H FY2023, as compared to a profit after income tax of US\$15.32M in 1H FY2022.

##### Consolidated Statement of Financial Position

The Group's non-current assets decreased by US\$0.03M, from US\$70.80M as at 30 June 2022 to US\$70.77M as at 31 December 2022, mainly attributable to the decrease in (i) exploration, evaluation and development assets by US\$1.49M mainly

due to reclassification to oil and gas properties in 1H FY2023; and (ii) other property, plant and equipment by US\$0.01M due to an increase in depreciation charges. The above decreases were partially offset by (i) the overall increase in oil and gas properties of US\$1.20M due to the reclassification of exploration, evaluation and development assets, after offsetting against the depletion of oil and gas properties; and (ii) the recognition of right-of-use assets of US\$0.28M as a result of the new lease for the Company's new office.

The Group's current assets increased by US\$0.35M, from US\$5.01M as at 30 June 2022 to US\$5.36M as at 31 December 2022. The increase was attributable to (i) the increase in cash and cash equivalents of US\$0.31M (please refer to the explanation of cash and cash equivalents under consolidated statement of cash flows below); and (ii) the increase in inventories of US\$0.06M in relation to the Thailand Operations. The above increases were partially offset against the decrease in trade and other receivables of US\$0.02M.

The Group's non-current liabilities increased by US\$0.41M, from US\$36.29M as at 30 June 2022 to US\$36.70M as at 31 December 2022. This was mainly due to (i) the increase in provision for restoration costs and deferred tax liabilities in relation to the Thailand Operations of US\$0.17M and US\$0.13M respectively; and (ii) the recognition of lease liabilities of US\$0.12M as a result of the new lease for the Company's new office.

The Group's current liabilities increased by US\$0.44M, from US\$2.44M as at 30 June 2022 to US\$2.88M as at 31 December 2022. This was mainly due to (i) the increase in trade and other payables of US\$0.42M, largely attributable to the management fee payable to the main operator and holder of 60% interest of the Thailand Operations; and (ii) the recognition of lease liability of US\$0.16M as a result of the new lease for the Company's new office. The increase was partially offset against (i) the repayment of the Thailand HSBC loan of US\$0.11M in July 2022; and (ii) the decrease in income tax payables of US\$0.03M in relation to the Thailand Operations.

The Group reported a positive working capital position of US\$2.48M as at 31 December 2022, as compared to a positive working capital position of US\$2.57M as at 30 June 2022.

#### Consolidated Statement of Cash Flows

The Group generated net cash of US\$0.80M from its operating activities in 1H FY2023, as compared to net cash generated from operating activities of US\$1.01M in 1H FY2022. The Group recorded operating cash inflows before working capital changes of US\$0.53M. The main movements of the cash flows from operating activities in 1H FY2023 comprised (i) the decrease in trade and other receivables of US\$0.02M; (ii) the increase in inventories of US\$0.06M; and (iii) the increase in trade and other payables of US\$0.42M. Income tax of US\$0.10M was paid in 1H FY2023.

The Group used net cash of US\$0.31M for its investing activities in 1H FY2023. This was due to (i) the additions to oil and gas properties of US\$0.30M as a result of the evaluation work performed in relation to the Thailand Operations; and (ii) the additions to other property, plant and equipment of US\$0.01M.

The Group used net cash of US\$0.18M from its financing activities in 1H FY2023. This was due to (i) repayment of lease liability amounting to US\$0.07M; and (ii) repayment of bank borrowings of US\$0.11M in relation to the Thailand Operations.

As a result of the above, cash and cash equivalents increased by US\$0.31M from US\$1.41M as at 1 July 2022 to US\$1.72M as at 31 December 2022.

#### **9. Disclosure of acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.**

The Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period, up to 31 December 2022.

Subsequent to 31 December 2022, the Company's dormant and wholly-owned subsidiary, Loyz Oil Australia Pty Ltd ("Loyz Oil Australia"), has been deregistered from the Companies Registry of Australia pursuant to Section 601AA(4) of the Corporations Act 2001 of Australia (the "Deregistration") with effect from 18 January 2023.

The Company had fully impaired its investments in Loyz Oil Australia in the financial year ended 30 June 2016. The Deregistration is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company and the Group for the current financial year ending 30 June 2023. For more information, please refer to the Company's announcement dated 27 January 2023.

#### **10a. Rule 705(6)(a) of the Catalist Rules in relation to the use of funds/ cash for the quarter and projection on the use of funds/ cash for the next immediate quarter, including principal assumptions.**

The expenditure incurred for mining and exploration activities in the second quarter from 1 October 2022 to 31 December 2022 ("2Q2023") is as follows:

	US\$'000
Evaluation, Exploration and Development Expenditure	-
Purchase of Fixed Assets	-
Administrative Expenses	-

The projected expenditure for mining and exploration activities in the third quarter from 1 January 2023 to 31 March 2023 ("3Q2023") is as follows:

	US\$'000
Evaluation, Exploration and Development Expenditure	-
Purchase of Fixed Assets	-
Administrative Expenses	-

## 10b. Rule 705(6)(b) of the Catalyst Rules in relation to the director's confirmation

The board of directors of the Company (the "Board") confirms that, to the best of its knowledge, nothing has come to its attention which may render such information provided to be false or misleading in any material aspect.

## 11. Rule 705(7) of the Catalyst Rules in relation to details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

The Group has a 20% stake in the Thailand onshore oil concessions located in Phetchabun Basin (the "Concessions"). A new drilling campaign for the Concessions has started in January 2023. This new drilling campaign is expected to be fully funded by the positive cash flow generated from the sale of oil drawn from the existing producing wells and bank facilities available to the Concessions.

As the operations at the Concessions are self-funded, the Group did not and does not expect to incur any expenditure for exploration, development and production activities for 2Q2023 and 3Q2023, respectively.

Save as disclosed above, the Group does not have any exploration, development and/or production activities for 2Q2023 and is not expected to incur any expenditure for such activities for 3Q2023.

## 12. Use of Proceeds

### Use of Proceeds from Placement

On 10 February 2022, the Company completed a placement of an aggregate of 925,925,925 new ordinary shares at an issue price of S\$0.0027 per new ordinary share in the capital of the Company (the "Placement"). Pursuant to the Placement, the Company raised net proceeds amounting to approximately S\$2,475,000 (after deducting all expenses in connection with the Placement as set out in the Company's announcement dated 6 December 2021) (the "Net Proceeds").

The Company has previously, on 12 May 2022, 28 July 2022, 29 August 2022 and 13 October 2022 updated its shareholders on the use of the Net Proceeds.

As at the date of this announcement, the following is a summary of the Net Proceeds and the utilisation thereof:

Use of Net Proceeds	Allocation of Net Proceeds (S\$'000)	Balance of Net Proceeds as at 13 October 2022 (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
- Funding of the Group's Investment and Trading Business Segment	0 to 742 (0% to 30% of Net Proceeds)	0 to 495	-	-
- General Working Capital of the Group	1,733 to 2,475 (70% to 100% of Net Proceeds)	0 to 495	495*	-
<b>Total</b>	<b>2,475</b>	<b>495</b>	<b>495</b>	<b>-</b>

\* The Net Proceeds utilised for general working capital of the Group is used for general and administrative expenses including office expenses, staff costs and administrative expenses.

The Company had fully utilised the Net Proceeds as at the date of this announcement as set out in the table above. The use of the Net Proceeds is in accordance with the intended use and percentage allocated as stated in the Company's announcement dated 6 December 2021.

## 13. Requirement under Rule 705(5) of the Listing Manual

On behalf of the Board, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the six months ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board

Pang Kee Chai, Jeffrey  
Vice Chairman and Executive Director

Yu Jinfeng  
Chairman and Non-Executive Independent Director

#### **14. Confirmation from the Company under Rule 720(1) of the Catalist Rules**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey  
Vice Chairman and Executive Director  
9 February 2023

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