



**AP OIL INTERNATIONAL LIMITED**

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

**Condensed Consolidated Financial Statements**

**For Second Half and Financial Year Ended 31 December 2022**

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## A. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group					
		Second half year ended			Financial year ended		
		31 Dec 2022	31 Dec 2021	Change	31 Dec 2022	31 Dec 2021	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>#</b>	<b>29,982</b>	<b>27,964</b>	<b>7%</b>	<b>61,111</b>	<b>55,614</b>	<b>10%</b>
Cost of sales	<b>1, 3</b>	(25,908)	(23,628)	10%	(52,352)	(45,658)	15%
<b>Gross profit</b>		<b>4,074</b>	<b>4,336</b>	<b>-6%</b>	<b>8,759</b>	<b>9,956</b>	<b>-12%</b>
Interest income	<b>#</b>	179	51	251%	239	115	108%
Other gains	<b>2</b>	221	961	-77%	454	1,463	-69%
Distribution costs	<b>3</b>	(976)	(901)	8%	(1,738)	(1,824)	-5%
Administrative expenses	<b>1, 3</b>	(3,000)	(3,285)	-9%	(6,141)	(6,498)	-5%
Finance costs	<b>4</b>	(76)	(113)	-33%	(171)	(231)	-26%
Other losses	<b>5</b>	(348)	(45)	N.M.	(351)	(77)	N.M.
Share of results of equity -accounted joint ventures	<b>#</b>	(2)	20	-110%	187	71	163%
<b>Profit before tax</b>		<b>72</b>	<b>1,024</b>	<b>-93%</b>	<b>1,238</b>	<b>2,975</b>	<b>-58%</b>
Income tax expense	<b>6</b>	(10)	20	-150%	(140)	(234)	-40%
<b>Profit after tax</b>		<b>62</b>	<b>1,044</b>	<b>-94%</b>	<b>1,098</b>	<b>2,741</b>	<b>-60%</b>
<b>Other comprehensive (loss)/income</b>							
<b>Items that may be reclassified subsequently to profit or loss</b>							
Exchange differences on translation from functional currency to presentation currency	<b>7</b>	(2,150)	180	N.M.	(678)	875	-177%
Share of other comprehensive (loss)/income from equity -accounted joint ventures, net of tax		(61)	22	N.M.	(139)	(15)	N.M.
<b>Other comprehensive (loss)/income for the period/year, net of tax</b>		<b>(2,211)</b>	<b>202</b>	<b>N.M.</b>	<b>(817)</b>	<b>860</b>	<b>-195%</b>
<b>Total comprehensive (loss)/income for the period/year</b>		<b>(2,149)</b>	<b>1,246</b>	<b>-272%</b>	<b>281</b>	<b>3,601</b>	<b>-92%</b>
<b>Earnings per share</b>		<b>Singapore Cents</b>	<b>Singapore Cents</b>		<b>Singapore Cents</b>	<b>Singapore Cents</b>	
Basic and diluted		0.04	0.63	-94%	0.67	1.67	-60%

Note:

#: Refer to pages 19 and 20 for notes.

N.M.: Not meaningful

## Notes to the Condensed Consolidated Statement of Comprehensive Income

### 1. Depreciation

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Total depreciation charged are as follows:				
Cost of sales	(558)	(547)	(1,109)	(1,082)
Administrative expenses	(340)	(353)	(704)	(663)
	<u>(898)</u>	<u>(900)</u>	<u>(1,813)</u>	<u>(1,745)</u>

The depreciation for right-of-use assets included in the (i) second half year ended 31 December 2022 ("2H2022"), (ii) second half year ended 31 December 2021 ("2H2021"), (iii) financial year ended 31 December 2022 ("FY2022") and (iv) financial year ended 31 December 2021 ("FY2021") are summarised below:

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation for right-of-use assets:				
Cost of sales	(160)	(158)	(320)	(315)
Administrative expenses	(56)	(50)	(130)	(96)
	<u>(216)</u>	<u>(208)</u>	<u>(450)</u>	<u>(411)</u>

### 2. Other gains

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for impairment on trade receivables - reversal	33	-	33	-
Dividend income	59	-	59	-
Fair value gain on other financial asset (*)	-	750	-	750
Foreign exchange adjustments gain	51	54	150	186
Gain on disposal of plant and equipment	10	(1)	16	95
Government grants	15	115	67	359
Interest income from insurance policy	17	16	39	37
Royalty and licensing fee income	6	23	59	23
Other income	30	4	31	13
	<u>221</u>	<u>961</u>	<u>454</u>	<u>1,463</u>

(\*) Recognition of fair value gain in 2H2021 and FY2021 for investment in Chongqing Zongshen Financial Leasing Company Limited.

## Notes to the Condensed Consolidated Statement of Comprehensive Income

### 3. Employee benefits expense

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Total employee benefits expense charged are as follows:				
Cost of sales	(1,094)	(913)	(1,982)	(1,822)
Distribution costs	(698)	(539)	(1,118)	(1,028)
Administrative expenses	(1,929)	(2,256)	(3,900)	(4,272)
	<u>(3,721)</u>	<u>(3,708)</u>	<u>(7,000)</u>	<u>(7,122)</u>

### 4. Finance costs

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense	(76)	(113)	(171)	(231)
	<u>(76)</u>	<u>(113)</u>	<u>(171)</u>	<u>(231)</u>

### 5. Other losses

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for impairment on trade receivables - loss	3	(44)	-	(76)
Bad debts written off on trade receivables	(6)	(1)	(6)	(1)
Plant and equipment written-off	(1)	-	(1)	-
Fair value loss on other financial assets (*)	(344)	-	(344)	-
	<u>(348)</u>	<u>(45)</u>	<u>(351)</u>	<u>(77)</u>

(\*) Recognition of fair value loss in 2H2022 and FY2022 for investment in Coval Technologies Pte Ltd.

## Notes to the Condensed Consolidated Statement of Comprehensive Income

### 6. Taxation

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense	(45)	(51)	(133)	(201)
Deferred tax benefit/(expense)	36	71	(2)	(33)
Withholding tax expense	(1)	-	(5)	-
	<u>(10)</u>	<u>20</u>	<u>(140)</u>	<u>(234)</u>

Deferred tax benefit/(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/year-end exchange rate.

## B. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company		
		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	% Change	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	% Change
<b>ASSETS</b>							
<u>Non-current assets</u>							
Property, plant and equipment	1	11,685	12,775	-9%	442	515	-14%
Right-of-use assets	#	4,806	5,300	-9%	1,185	1,263	-6%
Goodwill	2	409	409	0%	-	-	0%
Investments in subsidiaries		-	-	0%	17,256	17,736	-3%
Investments in joint ventures		2,432	2,509	-3%	510	516	-1%
Deferred tax assets		50	36	39%	-	-	0%
Other financial assets	3	6,912	6,619	4%	6,580	6,619	-1%
Other assets	#	-	140	-100%	-	-	0%
Total non-current assets		26,294	27,788	-5%	25,973	26,649	-3%
<u>Current assets</u>							
Inventories		9,117	8,567	6%	-	-	0%
Trade and other receivables	#	5,714	6,046	-5%	12,975	13,929	-7%
Other assets	#	2,749	887	210%	13	19	-32%
Cash and cash equivalents	#	24,698	32,775	-25%	6,454	4,420	46%
Total current assets		42,278	48,275	-12%	19,442	18,368	6%
Total assets		68,572	76,063	-10%	45,415	45,017	1%
<b>EQUITY AND LIABILITIES</b>							
<u>Equity attributable to owners of the Company</u>							
Share capital		6,606	6,606	0%	6,606	6,606	0%
Retained earnings		47,876	48,423	-1%	36,718	35,812	3%
Other reserves	#	3,282	4,099	-20%	(1,493)	(1,025)	-46%
Total equity		57,764	59,128	-2%	41,831	41,393	1%
<u>Non-current liabilities</u>							
Deferred tax liabilities		640	646	-1%	-	-	0%
Loan and borrowing	4	-	4,210	-100%	-	-	0%
Lease liabilities	#	4,776	5,077	-6%	1,218	1,272	-4%
Total non-current liabilities		5,416	9,933	-45%	1,218	1,272	-4%
<u>Current liabilities</u>							
Income tax payable		171	237	-28%	-	-	0%
Loan and borrowings	4	-	1,114	-100%	-	-	0%
Lease liabilities	#	283	410	-31%	54	53	2%
Trade and other payables	#	4,938	5,241	-6%	2,312	2,299	1%
Total current liabilities		5,392	7,002	-23%	2,366	2,352	1%
Total liabilities		10,808	16,935	-36%	3,584	3,624	-1%
Total equity and liabilities		68,572	76,063	-10%	45,415	45,017	1%
		Singapore Cents	Singapore Cents		Singapore Cents	Singapore Cents	
Net asset value per share		35.11	35.94	-2%	25.42	25.16	1%

Note:

# : Refer to page 20 for notes.

## Notes to the Condensed Statements of Financial Position

### 1. Property, plant and equipment

In 2H2022, the Group acquired assets amounting to S\$185,000 (2H2021: S\$413,000) and disposed assets amounting to S\$2,000 (2H2021: S\$9,000).

### 2. Goodwill

	Group	
	31 Dec 2022 S\$'000	31 Dec 2021 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	
	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000
At amortised cost:		
- Key man life insurance policy	973	954
At fair value through profit or loss:		
- Unquoted investments	5,939	5,665
	<u>6,912</u>	<u>6,619</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 Statements of Financial Position

### 4. Loans and borrowings

Amount repayable in one year or less, or on demand (S\$'000)

Group			
31 Dec 2022		31 Dec 2021	
Secured	Unsecured	Secured	Unsecured
-	-	1,114	-

Amount repayable after one year (S\$'000)

Group			
31 Dec 2022		31 Dec 2021	
Secured	Unsecured	Secured	Unsecured
-	-	4,210	-

### Details of any collaterals

Secured borrowing of S\$5,324,000 as at 31 December 2021 relates to a bank loan secured by a mortgage of the leasehold property located at 18 Pioneer Sector 1, Singapore 628428. The loan was fully redeemed during FY2022.

## C. CONDENSED 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
<b>Group</b>				
<b>Current period</b>				
Opening balance at 1 Jan 2022	6,606	48,423	4,099	59,128
<b>Changes in equity</b>				
Total comprehensive income/(loss) for the year	-	1,098	(817)	281
Dividend paid	-	(1,645)	-	(1,645)
Closing balance at 31 Dec 2022	6,606	47,876	3,282	57,764
<b>Previous period</b>				
Opening balance at 1 Jan 2021	6,606	46,505	3,239	56,350
<b>Changes in equity</b>				
Total comprehensive income for the year	-	2,741	860	3,601
Dividend paid	-	(823)	-	(823)
Closing balance at 31 Dec 2021	6,606	48,423	4,099	59,128

  

	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Total equity S\$'000
<b>Company</b>				
<b>Current period:</b>				
Opening balance at 1 Jan 2022	6,606	35,812	(1,025)	41,393
<b>Changes in equity</b>				
Total comprehensive income/(loss) for the year	-	2,551	(468)	2,083
Dividend paid	-	(1,645)	-	(1,645)
Closing balance at 31 Dec 2022	6,606	36,718	(1,493)	41,831
<b>Previous period</b>				
Opening balance at 1 Jan 2021	6,606	34,185	(1,767)	39,024
<b>Changes in equity</b>				
Total comprehensive income for the year	-	2,450	742	3,192
Dividend paid	-	(823)	-	(823)
Closing balance at 31 Dec 2021	6,606	35,812	(1,025)	41,393

## D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	Financial year ended	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	1,238	2,975
Adjustments for:		
Interest income	(239)	(115)
Interest expense	171	231
Interest income from insurance policy	(39)	(37)
Insurance premium charged to profit or loss	8	8
Dividend income	(59)	-
Depreciation of property, plant and equipment	1,363	1,334
Depreciation of right-of-use assets	450	411
Share of results of equity-accounted joint ventures, net of tax	(187)	(71)
Plant and equipment written off	1	-
Gain on disposal of plant and equipment	(16)	(95)
Fair value loss/(gain) on other financial asset	344	(750)
Operating cash flows before changes in working capital	3,035	3,891
Inventories	(642)	(165)
Trade and other receivables	265	(970)
Other assets	(16)	(390)
Trade and other payables	(277)	(2,264)
Net cash flows from operations	2,365	102
Income tax paid	(204)	(238)
Net cash flows generated from/(used in) operating activities	2,161	(136)
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(446)	(1,314)
Deposit paid for purchase of property, plant and equipment	(1,846)	-
Proceeds from disposal of plant and equipment	23	104
Investment in other financial assets	(688)	-
Refund of prepayment for purchase of land	139	60
Interest received	239	115
Dividend received	164	150
Net cash flows used in investing activities	(2,415)	(885)
<b><u>Cash flows from financing activities</u></b>		
Dividend paid	(1,645)	(823)
Repayment of bank borrowing	(5,324)	(875)
Repayment of lease liabilities	(424)	(358)
Interest paid	(171)	(231)
Net cash flows used in financing activities	(7,564)	(2,287)
<b>Net decrease in cash and cash equivalents</b>	<b>(7,818)</b>	<b>(3,308)</b>
Cash and cash equivalents, statement of cash flows, beginning balance	32,775	35,735
Net effect of exchange rate changes on cash and cash equivalents	(259)	348
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b>24,698</b>	<b>32,775</b>

## **E. NOTES TO THE CONDENSED 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 the 2H2022 and FY2022 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 financial statements for 2H2022 and FY2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed 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 30 June 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 financial statements are presented in Singapore dollar as the Condensed 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 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 FY2022 were the same as those that were applied to the consolidated financial statements for FY2021.

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 2H2022 and FY2022.

## 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

	Second half year ended							
	Manufacturing		Trading		Unallocated		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing operations</b>								
<b>Revenue by segment</b>								
Total revenue by segment	21,351	13,544	9,622	15,377	-	-	30,973	28,921
Inter-segment sales	(386)	(407)	(605)	(550)	-	-	(991)	(957)
External revenue	20,965	13,137	9,017	14,827	-	-	29,982	27,964
Gross profit	3,190	2,481	884	1,855	-	-	4,074	4,336
Interest income					179	51	179	51
Other gains					221	961	221	961
Finance costs					(76)	(113)	(76)	(113)
Other losses					(348)	(45)	(348)	(45)
Unallocated expense					(3,976)	(4,186)	(3,976)	(4,186)
Share of results of joint ventures					(2)	20	(2)	20
Profit before tax							72	1,024
Income tax expense					(10)	20	(10)	20
Profit net of tax							62	1,044
<b>Other material items and reconciliations</b>								
Depreciation expense	290	272	35	37	573	591	898	900
Capital expenditure	165	217	-	137	20	218	185	572

	Financial year ended							
	Manufacturing		Trading		Unallocated		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing operations</b>								
<b>Revenue by segment</b>								
Total revenue by segment	40,445	28,189	22,655	29,224	-	-	63,100	57,413
Inter-segment sales	(786)	(699)	(1,203)	(1,100)	-	-	(1,989)	(1,799)
External revenue	39,659	27,490	21,452	28,124	-	-	61,111	55,614
Gross profit	6,742	5,784	2,017	4,172	-	-	8,759	9,956
Interest income					239	115	239	115
Other gains					454	1,463	454	1,463
Finance costs					(171)	(231)	(171)	(231)
Other losses					(351)	(77)	(351)	(77)
Unallocated expense					(7,879)	(8,322)	(7,879)	(8,322)
Share of results of joint ventures					187	71	187	71
Profit before tax							1,238	2,975
Income tax expense					(140)	(234)	(140)	(234)
Profit net of tax							1,098	2,741
<b>Other material items and reconciliations</b>								
Depreciation expense	573	535	71	73	1,169	1,137	1,813	1,745
Capital expenditure	434	491	-	287	61	695	495	1,473

	Manufacturing		Trading		Unallocated		Total	
	As at		As at		As at		As at	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets and reconciliations</b>								
Total assets for reportable segments	23,080	19,209	4,355	7,880	41,137	48,974	68,572	76,063
<b>Liabilities and reconciliations</b>								
Total liabilities for reportable segments	2,494	2,391	1,442	2,303	6,872	12,241	10,808	16,935

#### 4.2. Disaggregation of revenue

	Second half year ended					
	Manufacturing		Trading		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Type of goods or services</b>						
Sale of goods	19,826	12,278	8,957	14,781	28,783	27,059
Rendering of services	733	605	60	46	793	651
Rental revenue	406	254	-	-	406	254
Total revenue	20,965	13,137	9,017	14,827	29,982	27,964
<b>Duration of contracts</b>						
Short-term contracts	20,965	13,137	9,017	14,827	29,982	27,964
Total revenue	20,965	13,137	9,017	14,827	29,982	27,964
<b>Timing of revenue recognition</b>						
Point in time	20,559	12,883	9,017	14,827	29,576	27,710
Over time	406	254	-	-	406	254
Total revenue	20,965	13,137	9,017	14,827	29,982	27,964

	Financial year ended					
	Manufacturing		Trading		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Type of goods or services</b>						
Sale of goods	36,939	25,199	21,374	28,069	58,313	53,268
Rendering of services	1,521	1,277	78	55	1,599	1,332
Rental revenue	1,199	1,014	-	-	1,199	1,014
Total revenue	39,659	27,490	21,452	28,124	61,111	55,614
<b>Duration of contracts</b>						
Short-term contracts	39,659	27,490	21,452	28,124	61,111	55,614
Total revenue	39,659	27,490	21,452	28,124	61,111	55,614
<b>Timing of revenue recognition</b>						
Point in time	38,460	26,476	21,452	28,124	59,912	54,600
Over time	1,199	1,014	-	-	1,199	1,014
Total revenue	39,659	27,490	21,452	28,124	61,111	55,614

#### Operating segment

Manufacturing segment contributed 70% and 65% to the Group's revenue for 2H2022 and FY2022 respectively (2H2021: 47% and FY2021: 49%). Trading segment contributed 30% and 35% to the Group's revenue for 2H2022 and FY2022 respectively (2H2021: 53% and FY2021: 51%).

#### **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.

	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	22,066	18,974	43,676	36,879
Southeast Asia (excluding Singapore)	4,024	4,650	9,561	7,927
Middle East	1,869	592	2,496	1,560
Indian Subcontinent	849	960	1,376	3,043
Other Region	1,174	2,788	4,002	6,205
	29,982	27,964	61,111	55,614

#### Geographical segment

Group revenue from Singapore in 2H2022 increased from 68% to 74%; and remaining geographical regions contributed 26% to the Group's revenue. For FY2022, Group revenue from Singapore increased from 66% to 71%; and remaining geographical regions contributed 29% to the Group's revenue.

#### **4.4. Information about major customers**

In 2H2022, 1 customer contributed more than 10% of the Group's revenue (2H2021: 1 customer). Total sales to this customer was S\$7.4 million (2H2021: S\$3.8 million).

In FY2022, 2 customers contributed more than 10% of the Group's revenue (FY2021: Nil customer). Total sales to these customers for FY2022 were S\$18.0 million.

**5. Significant related party transactions**

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

	<b>Group</b>			
	<b>Second half year ended</b>		<b>Financial year ended</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<u>Joint ventures</u>				
Sale of goods	1,349	2,655	4,390	3,517
Licensing fee income	6	-	36	-

**6. Other notes**

The notes to condensed consolidated statement of comprehensive income and condensed 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 consolidated financial statements.



## **F. 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 July 2022 to 31 December 2022. NIL outstanding convertibles as at 31 December 2022 and 31 December 2021.

- 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 31 December 2022 and 31 December 2021.

- 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 2022. 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			
	Second half year ended		Financial year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	Singapore	Singapore	Singapore	Singapore
	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares in issue	0.04	0.63	0.67	1.67
(ii) On a fully diluted basis of weighted average number of ordinary shares in issue	0.04	0.63	0.67	1.67

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 31 December 2022 and as at 31 December 2021.

**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

	31 Dec 2022 Singapore Cents	31 Dec 2021 Singapore Cents
Net asset value per ordinary share:		
Group	35.11	35.94
Company	25.42	25.16

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 164,531,172 as at 31 December 2022 and as at 31 December 2021.

**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 2H2022 and FY2022 increased by 7% and 10% from 2H2021 and FY2021, respectively, due mainly to increase in manufacturing revenue and higher US\$ translation to S\$.
- (ii) Gross profit for FY2022 declined by 12% due to gross margin decrease of 3.6 percentage points mainly due to the exceptional trading margins achieved in FY2021; and increase in raw material costs affecting manufacturing revenue in FY2022.
- (iii) Interest income for 2H2022 and FY2022 increased significantly by 251% and 108%, respectively, due to higher interest rate offered for bank fixed deposits.
- (iv) Other gains for 2H2022 and FY2022 decreased by 77% and 69%, respectively, due mainly to the absence of fair value gain in FY2022 compared to the fair value gain recognised in 2H2021 and FY2021 for the investment in Chongqing Zongshen Financial Leasing Company Limited.
- (v) Distribution costs rose by 8% in 2H2022 and decreased by 5% for FY2022 due mainly to employee costs increase and lower freight costs, respectively.
- (vi) Administrative expenses was lower by 9% and 5% for 2H2022 and FY2022, respectively, on account of lower employee costs and incentive.
- (vii) Finance costs for 2H2022 and FY2022 decreased by 33% and 26% respectively, due mainly to full repayment of bank borrowing of S\$5.3 million.
- (viii) Other losses for 2H2022 and FY2022 of S\$0.3 million include the fair value loss recorded for an investment in Singapore.

- (ix) Share of results of joint ventures for FY2022 increased by 163% due mainly to higher profit contribution in FY2022 from a joint venture, AP Saigon Petro Joint Stock Company.
- (x) Profit before tax for 2H2022 and FY2022 contracted by \$1 million and \$1.7 million, respectively, due mainly to lower gross profit and other gains, offset by lower distribution costs and administrative expenses.
- (xi) Income tax expense for FY2022 decreased by 40%, due mainly to lower chargeable income and utilisation of tax allowances.
- (xii) 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/year-end exchange rate. The income and expenses were translated at the average rate of exchange for the financial period/year.

#### **Statement of Financial Position**

- (i) Right-of-use assets decreased by 9% due mainly to depreciation charged for the year.
- (ii) Other financial assets increased by S\$0.3 million due to an unquoted investment in Singapore.
- (iii) Other assets, in non-current assets, decreased by S\$0.14 million due to full collection of the prepaid balance made in prior years.
- (iv) Trade and other receivables decreased by S\$0.3 million as a result of higher account receivables collection.
- (v) Other assets, in current assets, increased by S\$1.9 million due to deposits paid for property, plant and machineries.
- (vi) Other reserves declined by S\$0.8 million due mainly to exchange difference arose 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/year-end exchange rate.
- (vii) Loan and borrowings of S\$5.3 million was fully redeemed in FY2022.
- (viii) Lease liabilities decreased by S\$0.4 million with repayment of lease liabilities.
- (ix) Trade and other payables decreased by S\$0.3 million as lesser raw materials were purchased at the year end.

#### **Statement of Cash Flows**

Cash flows from operating activities increased by S\$2.3 million due to lower working capital at year end.

Cash flows used in investing activities rose by S\$1.5 million due to deposits paid for property, plant and equipment.

Cash flows used in financing activities increased by S\$5.3 million due to full redemption of bank borrowing and higher dividend paid in FY2022.

Consequently, cash and cash equivalent of the Group decreased by S\$8.1 million from S\$32.8 million as at 31 December 2021 to S\$24.7 million due to full repayment of bank borrowing, higher capital expenditures and dividend paid.

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.**

The global growth in 2023 is expected to be slower in the face of elevated inflation and higher interest rates, impacting developed economies with concerns of recession looming.

The Group expects the macro business environment to be challenging in months to come. Higher material costs will put pressure on gross margin; and higher depreciation from newly commissioned plant and machinery will increase overheads for the Group. However, with a healthy balance sheet, the Group has no need to borrow for working capital, hence should not be impacted in 2023 by higher interest cost.

The Management will continue to seek out new business opportunities and strengthen existing market bases with the objective of enhancing profitability of the businesses of the Group.

11. **If a decision regarding dividend has been made:-**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

A final dividend has been proposed.

- (b)(i) **Amount per share (cents)**

0.50 cent per ordinary share.

- (ii) **Previous corresponding period (cents)**

A final dividend of 1.0 cent per ordinary share.

- (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).**

The proposed final dividend is 1-tier tax exempt dividend.

- (d) **The date the dividend is payable.**

Subject to shareholders' approval at the upcoming annual general meeting ("AGM"), the proposed final dividend will be paid on 26 May 2023.

- (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.**

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on 12 May 2023 to determine the shareholders' entitlement to the proposed 2022 final dividend.

Duly completed transfers of shares received by the Company's Share Registrar, Tricor Singapore Pte Ltd, 80 Robinson Road, #02-00, Singapore 068898, up to close of business at 5.00pm on 11 May 2023 ("Book Closure Date") will be registered to determine shareholders' entitlement to the proposed final dividend. In respect of shares in securities with the Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which in turn will distribute the final dividend entitlement to the CDP account holders in accordance with its normal practice.

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

Not applicable.

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.

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.

18. **A breakdown of sales as follows:**

	Group		
	2022 S\$'000	2021 S\$'000	% Change
Revenue for first half year	31,129	27,650	13%
Profit after tax reported for first half year	1,036	1,697	-39%
Revenue for second half year	29,982	27,964	7%
Profit after tax reported for second half year	62	1,044	-94%

19. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
Ordinary*	823	1,645
Preference	-	-
Total:	823	1,645

*\* Includes proposed 2022 final dividend of 0.5 cent per ordinary share to be approved at AGM on 27 April 2023.*

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**On behalf of the Board of Directors**

**Ho Chee Hon**  
**Group Chief Executive Officer**  
**27 February 2023**