



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 2023

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A. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group					
		Second half year ended			Financial year ended		
		31 Dec 2023	31 Dec 2022	Change	31 Dec 2023	31 Dec 2022	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	#	25,467	29,982	-15%	46,217	61,111	-24%
Cost of sales	1, 3	(21,037)	(25,908)	-19%	(38,504)	(52,352)	-26%
Gross profit		4,430	4,074	9%	7,713	8,759	-12%
Interest income	#	407	179	127%	719	239	201%
Other gains	2	125	221	-43%	387	454	-15%
Distribution costs	3	(1,153)	(976)	18%	(1,971)	(1,738)	13%
Administrative expenses	1, 3	(3,268)	(3,000)	9%	(6,239)	(6,141)	2%
Finance costs	4	(71)	(76)	-7%	(142)	(171)	-17%
Other losses	5	(20)	(348)	-94%	(44)	(351)	-87%
Share of results of equity -accounted joint ventures	#	102	(2)	*	239	187	28%
Profit before tax		552	72	*	662	1,238	-47%
Income tax expense	6	(136)	(10)	*	(139)	(140)	-1%
Profit after tax		416	62	*	523	1,098	-52%
Other comprehensive loss							
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation from functional currency to presentation currency	7	(1,092)	(2,150)	-49%	(670)	(678)	-1%
Share of other comprehensive loss from equity-accounted joint ventures, net of tax		(132)	(61)	116%	(109)	(139)	-22%
Other comprehensive loss for the period/year, net of tax		(1,224)	(2,211)	-45%	(779)	(817)	-5%
Total comprehensive (loss)/income for the period/year		(808)	(2,149)	-62%	(256)	281	-191%
Earnings per share		Singapore Cents	Singapore Cents		Singapore Cents	Singapore Cents	
Basic and diluted		0.25	0.04	*	0.32	0.67	-52%

Note:

#: Refer to pages 19 and 20 for notes.

*: Change > 300%

Notes to the Condensed Consolidated Statement of Comprehensive Income

1. Depreciation

The depreciation for the (i) second half year ended 31 December 2023 ("2H2023"), (ii) second half year ended 31 December 2022 ("2H2022"), (iii) financial year ended 31 December 2023 ("FY2023") and (iv) financial year ended 31 December 2022 ("FY2022") are summarised below:

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
For property, plant and equipment				
Cost of sales	(513)	(398)	(1,007)	(789)
Administrative expenses	(310)	(284)	(618)	(574)
	<u>(823)</u>	<u>(682)</u>	<u>(1,625)</u>	<u>(1,363)</u>
For right-of-use assets:				
Cost of sales	(164)	(160)	(326)	(320)
Administrative expenses	(6)	(56)	(11)	(130)
	<u>(170)</u>	<u>(216)</u>	<u>(337)</u>	<u>(450)</u>

2. Other gains

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Dividend income	-	59	-	59
Foreign exchange adjustments gain	-	51	-	150
Gain on disposal of plant and equipment	9	10	10	16
Government grants	45	15	139	67
Interest income from insurance policy	17	17	57	39
Reversal for allowance for impairment on trade receivables	(24)	33	-	33
Royalty and licensing fee income	17	6	54	59
Income from 2019 agreement #	57	17	120	17
Other income	4	13	7	14
	<u>125</u>	<u>221</u>	<u>387</u>	<u>454</u>

(#) In 2008, a subsidiary entered into an agreement with a Vietnam company to establish a joint arrangement for acquiring three parcels of land in Vietnam. The subsidiary paid a deposit of US\$468,800. However, the land purchase and joint arrangement did not materialise. In 2019, the subsidiary and the Vietnam company entered into an agreement to terminate the original arrangement and the deposit of US\$468,800 and interest charges will be refunded. As at 31 December 2023, the deposit of US\$468,800 has been fully refunded. The surplus amount of US\$42,565 (equivalent to S\$57,000) and US\$90,206 (equivalent to S\$120,000) received during 2H2023 and FY2023 are recorded as other gains. In total, US\$571,028 has been collected; and the balance of US\$128,972 to be paid by the Vietnam Company. It shall be recognised as other gain when this is collected.

Notes to the Condensed Consolidated Statement of Comprehensive Income

3. Employee benefits expense

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Total employee benefits expense charged are as follows:				
Cost of sales	(1,075)	(1,094)	(2,104)	(1,982)
Distribution costs	(696)	(698)	(1,232)	(1,118)
Administrative expenses	(2,127)	(1,929)	(3,944)	(3,900)
	<u>(3,898)</u>	<u>(3,721)</u>	<u>(7,280)</u>	<u>(7,000)</u>

4. Finance costs

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Bank loan interest	-	(7)	-	(31)
Lease liabilities interest	(71)	(69)	(142)	(140)
	<u>(71)</u>	<u>(76)</u>	<u>(142)</u>	<u>(171)</u>

5. Other losses

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for impairment on trade receivables	(35)	3	(35)	-
Bad debts written off on trade receivables	(1)	(6)	(3)	(6)
Foreign exchange adjustments losses	16	-	(5)	-
Plant and equipment written-off	-	(1)	(1)	(1)
Fair value loss on other financial assets (*)	-	(344)	-	(344)
	<u>(20)</u>	<u>(348)</u>	<u>(44)</u>	<u>(351)</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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense	(143)	(45)	(143)	(133)
Deferred tax benefit/(expense) (#)	7	36	5	(2)
Withholding tax expense	-	(1)	(1)	(5)
	<u>(136)</u>	<u>(10)</u>	<u>(139)</u>	<u>(140)</u>

(#) Relates to origination and reversal of temporary differences.

7. Other comprehensive loss

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.

Share of other comprehensive loss from equity-accounted joint ventures relates to translation effect of the joint ventures' net assets denominated in Vietnam Dong and Chinese Renminbi to the Group's presentation currency as at the financial period/year-end exchange rate.

B. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Group			Company		
		31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	% Change	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	% Change
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	1	14,581	11,685	25%	370	442	-16%
Right-of-use assets		4,807	4,806	*	1,139	1,185	-4%
Goodwill	2	409	409	0%	-	-	0%
Investments in subsidiaries		-	-	0%	17,404	17,256	1%
Investments in joint ventures		2,439	2,432	*	502	510	-2%
Deferred tax assets		52	50	4%	-	-	0%
Other financial assets	3	6,854	6,912	-1%	6,527	6,580	-1%
Other receivables	4	229	-	N.M.	600	-	N.M.
Total non-current assets		<u>29,371</u>	<u>26,294</u>	12%	<u>26,542</u>	<u>25,973</u>	2%
<u>Current assets</u>							
Inventories		7,733	9,117	-15%	-	-	0%
Trade and other receivables		5,747	5,714	1%	13,948	12,975	7%
Other assets	#	1,348	2,749	-51%	10	13	-23%
Cash and cash equivalents	#	25,047	24,698	1%	3,850	6,454	-40%
Total current assets		<u>39,875</u>	<u>42,278</u>	-6%	<u>17,808</u>	<u>19,442</u>	-8%
Total assets		<u>69,246</u>	<u>68,572</u>	1%	<u>44,350</u>	<u>45,415</u>	-2%
EQUITY AND LIABILITIES							
<u>Equity attributable to owners of the Company</u>							
Share capital		6,606	6,606	0%	6,606	6,606	0%
Retained earnings		47,576	47,876	-1%	36,367	36,718	-1%
Other reserves	#	2,503	3,282	-24%	(2,134)	(1,493)	-43%
Total equity		<u>56,685</u>	<u>57,764</u>	-2%	<u>40,839</u>	<u>41,831</u>	-2%
<u>Non-current liabilities</u>							
Deferred tax liabilities		637	640	*	-	-	0%
Lease liabilities		4,817	4,776	1%	1,196	1,218	-2%
Other non-financial liabilities	5	449	-	N.M.	-	-	0%
Total non-current liabilities		<u>5,903</u>	<u>5,416</u>	9%	<u>1,196</u>	<u>1,218</u>	-2%
<u>Current liabilities</u>							
Income tax payable	#	121	171	-29%	-	-	0%
Lease liabilities		301	283	6%	58	54	7%
Trade and other payables	#	6,180	4,938	25%	2,257	2,312	-2%
Other non-financial liabilities	5	56	-	N.M.	-	-	0%
Total current liabilities		<u>6,658</u>	<u>5,392</u>	23%	<u>2,315</u>	<u>2,366</u>	-2%
Total liabilities		<u>12,561</u>	<u>10,808</u>	16%	<u>3,511</u>	<u>3,584</u>	-2%
Total equity and liabilities		<u>69,246</u>	<u>68,572</u>	1%	<u>44,350</u>	<u>45,415</u>	-2%
		Singapore Cents	Singapore Cents		Singapore Cents	Singapore Cents	
Net asset value per share		<u>34.45</u>	<u>35.11</u>	-2%	<u>24.82</u>	<u>25.42</u>	-2%

Note:

#: Refer to page 20 for notes.
 *: Less than 1%
 N.M.: Not meaningful

Notes to the Condensed Statements of Financial Position

1. Property, plant and equipment

In 2H2023, the Group acquired assets amounting to S\$379,000 (2H2022: S\$185,000) and disposed assets amounting to S\$1,000 (2H2022: S\$2,000).

2. Goodwill

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

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

3. Other financial assets

	Group	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
At amortised cost:		
- Key man life insurance policy	1,006	973
At fair value through profit or loss:		
- Unquoted investments	5,848	5,939
	<u>6,854</u>	<u>6,912</u>

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

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

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

Notes to the Condensed Statements of Financial Position

4. Other receivable

	Group	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Convertible loan (#)	229	-

(#) The Group provided a convertible loan to a Singapore company which is engaged in green hydrogen project during 2H2023. This convertible loan bears an interest of 9% per annum and is repayable on 24 December 2026. The Group has option to convert this convertible loan to equity.

5. Other non-financial liabilities

	Group	
	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
Deferred income:		
Government grant related to asset purchase	505	-
Presented as follows:		
Non-current	449	-
Current	56	-
	505	-

In FY2023, the Group received an enterprise development grant from Enterprise Singapore Board to support purchase of a new automated bottle filling line; and recognised in the profit or loss over its useful life.

D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	662	1,238
Adjustments for:		
Interest income	(719)	(239)
Interest expense	142	171
Interest income from insurance policy	(57)	(39)
Income from 2019 agreement (#)	(120)	-
Insurance premium charged to profit or loss	9	8
Dividend income	-	(59)
Depreciation of property, plant and equipment	1,625	1,363
Depreciation of right-of-use assets	337	450
Government grant income related to asset purchase	(57)	-
Share of results of equity-accounted joint ventures, net of tax	(239)	(187)
Plant and equipment written off	1	1
Gain on disposal of plant and equipment	(10)	(16)
Fair value loss on other financial asset	-	344
Operating cash flows before changes in working capital	1,574	3,035
Inventories	1,244	(642)
Trade and other receivables	(121)	265
Other assets	(977)	(16)
Trade and other payables	1,317	(277)
Net cash flows from operations	3,037	2,365
Income tax paid	(193)	(204)
Net cash flows generated from operating activities	2,844	2,161
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(2,474)	(446)
Deposit paid for purchase of property, plant and equipment	-	(1,846)
Proceeds from disposal of plant and equipment	11	23
Receipt of government grant related to asset purchase	560	-
Investment in other financial assets	-	(688)
Investment in convertible loan	(235)	-
Receipt of income/Refund of prepayment for purchase of land from 2019 agreement (#)	120	139
Interest received	719	239
Dividend received	124	164
Net cash flows used in investing activities	(1,175)	(2,415)
<u>Cash flows from financing activities</u>		
Dividend paid	(823)	(1,645)
Repayment of bank borrowing	-	(5,324)
Repayment of lease liabilities	(297)	(424)
Interest paid	(142)	(171)
Net cash flows used in financing activities	(1,262)	(7,564)
Net increase/(decrease) in cash and cash equivalents	407	(7,818)
Cash and cash equivalents, statement of cash flows, beginning balance	24,698	32,775
Net effect of exchange rate changes on cash and cash equivalents	(58)	(259)
Cash and cash equivalents, statement of cash flows, ending balance	25,047	24,698

(#) Refer to Note 2 on page 4.

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 2H2023 and FY2023 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 2H2023 and FY2023 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 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 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 FY2023 were the same as those that were applied to the consolidated financial statements for FY2022.

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 2H2023 and FY2023.

4. Segment and revenue information

The Group is organised into Manufacturing and Trading segments. 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 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations								
Revenue by segment								
Total revenue by segment	16,270	21,351	9,763	9,622	-	-	26,033	30,973
Inter-segment sales	(365)	(386)	(201)	(605)	-	-	(566)	(991)
External revenue	15,905	20,965	9,562	9,017	-	-	25,467	29,982
Gross profit	3,485	3,190	945	884	-	-	4,430	4,074
Interest income					407	179	407	179
Other gains					125	221	125	221
Finance costs					(71)	(76)	(71)	(76)
Other losses					(20)	(348)	(20)	(348)
Unallocated expenses					(4,421)	(3,976)	(4,421)	(3,976)
Share of results of joint ventures					102	(2)	102	(2)
Profit before tax							552	72
Income tax expense					(136)	(10)	(136)	(10)
Profit net of tax							416	62
Other material items and reconciliations								
Depreciation expense	328	290	32	35	633	573	993	898
Capital expenditure	300	165	-	-	79	20	379	185

	Financial year ended							
	Manufacturing		Trading		Unallocated		Total	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations								
Revenue by segment								
Total revenue by segment	31,677	40,445	15,704	22,655	-	-	47,381	63,100
Inter-segment sales	(731)	(786)	(433)	(1,203)	-	-	(1,164)	(1,989)
External revenue	30,946	39,659	15,271	21,452	-	-	46,217	61,111
Gross profit	6,272	6,742	1,441	2,017	-	-	7,713	8,759
Interest income					719	239	719	239
Other gains					387	454	387	454
Finance costs					(142)	(171)	(142)	(171)
Other losses					(44)	(351)	(44)	(351)
Unallocated expenses					(8,210)	(7,879)	(8,210)	(7,879)
Share of results of joint ventures					239	187	239	187
Profit before tax							662	1,238
Income tax expense					(139)	(140)	(139)	(140)
Profit net of tax							523	1,098
Other material items and reconciliations								
Depreciation expense	775	573	65	71	1,122	1,169	1,962	1,813
Capital expenditure	2,738	434	-	-	2,428	61	5,166	495

	Manufacturing		Trading		Unallocated		Total	
	As at		As at		As at		As at	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and reconciliations								
Total assets for reportable segments	22,347	23,080	5,031	4,355	41,868	41,137	69,246	68,572
Liabilities and reconciliations								
Total liabilities for reportable segments	3,076	2,494	2,047	1,442	7,438	6,872	12,561	10,808

4.2. Disaggregation of revenue

	Second half year ended					
	Manufacturing		Trading		Total	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services						
Sale of goods	14,602	19,826	9,491	8,957	24,093	28,783
Rendering of services	848	733	71	60	919	793
Rental revenue	455	406	-	-	455	406
Total revenue	15,905	20,965	9,562	9,017	25,467	29,982
Duration of contracts						
Short-term contracts	15,905	20,965	9,562	9,017	25,467	29,982
Total revenue	15,905	20,965	9,562	9,017	25,467	29,982
Timing of revenue recognition						
Point in time	15,450	20,559	9,562	9,017	25,012	29,576
Over time	455	406	-	-	455	406
Total revenue	15,905	20,965	9,562	9,017	25,467	29,982

	Financial year ended					
	Manufacturing		Trading		Total	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services						
Sale of goods	28,133	36,939	15,177	21,374	43,310	58,313
Rendering of services	1,508	1,521	94	78	1,602	1,599
Rental revenue	1,305	1,199	-	-	1,305	1,199
Total revenue	30,946	39,659	15,271	21,452	46,217	61,111
Duration of contracts						
Short-term contracts	30,946	39,659	15,271	21,452	46,217	61,111
Total revenue	30,946	39,659	15,271	21,452	46,217	61,111
Timing of revenue recognition						
Point in time	29,641	38,460	15,271	21,452	44,912	59,912
Over time	1,305	1,199	-	-	1,305	1,199
Total revenue	30,946	39,659	15,271	21,452	46,217	61,111

Operating segment

Manufacturing segment contributed 62% and 67% to the Group's revenue for 2H2023 and FY2023 respectively (2H2022: 70% and FY2022: 65%). Trading segment contributed 38% and 33% to the Group's revenue for 2H2023 and FY2023 respectively (2H2022: 30% and FY2022: 35%).

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.

	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	15,452	22,066	29,283	43,676
Southeast Asia (excluding Singapore)	3,051	4,024	5,872	9,561
Middle East	3,158	1,869	4,514	2,496
East Asia	2,098	546	3,222	1,527
Indian Subcontinent	1,537	849	2,637	1,376
Other Region	171	628	689	2,475
	25,467	29,982	46,217	61,111

Geographical segment

Group revenue from Singapore in 2H2023 decreased from 74% to 61%; and remaining geographical regions contributed 39% to the Group's revenue. For FY2023, Group revenue from Singapore decreased from 71% to 63%; and remaining geographical regions contributed 37% to the Group's revenue.

4.4. Information about major customers

In 2H2023, 1 customer contributed more than 10% of the Group's revenue (2H2022: 1 customer). Total sales to this customer for 2H2023 was S\$3.0 million (2H2022: S\$7.4 million).

In FY2023, 1 customer contributed more than 10% of the Group's revenue (FY2022: 2 customers). Total sales to this customer for FY2023 was S\$6.6 million (FY2022: S\$18.0 million).

5. Significant related party transactions

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

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Joint ventures</u>				
Sale of goods	687	1,346	1,307	4,390
Licensing fee income	5	6	11	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 2023 to 31 December 2023. There were no outstanding convertibles as at 31 December 2023 and 31 December 2022.

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

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

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

Not applicable as the Company has no treasury shares.

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

Not applicable as the Company has no subsidiary holdings.

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

The figures have not been audited or reviewed.

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

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

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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

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

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

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

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

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

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

	Group			
	Second half year ended		Financial year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	Singapore Cents	Singapore Cents	Singapore Cents	Singapore Cents
(i) Based on weighted average number of ordinary shares in issue	0.25	0.04	0.32	0.67
(ii) On a fully diluted basis of weighted average number of ordinary shares in issue	0.25	0.04	0.32	0.67

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 2023 and as at 31 December 2022.

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

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

	31 Dec 2023	31 Dec 2022
	Singapore	Singapore
	Cents	Cents
Net asset value per ordinary share:		
Group	34.45	35.11
Company	24.82	25.42

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

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

Statement of Comprehensive Income

- (i) Revenue for 2H2023 and FY2023 decreased by 15% and 24% year-on-year ("YoY"), respectively, due mainly to lower Manufacturing and Trading revenue; and lower US\$ translation to S\$.
- (ii) Gross profit for FY2023 declined by 12% due mainly to the decrease in revenue by 24% YoY.
- (iii) Interest income for 2H2023 and FY2023 increased by 127% and 201% YoY, respectively, due to higher bank fixed deposits interest rate and higher cash balance.
- (iv) Other gains decreased by 43% and 15% YoY as there were no dividend income and foreign exchange adjustment gain in 2H2023 and FY2023.
- (v) Distribution costs rose by 18% and 13% YoY due mainly to increase in employee costs, freight costs and travelling expense.
- (vi) Administrative expenses increased by 9% and 2% YoY due mainly to employee costs increase and higher travelling expense.
- (vii) Finance costs decreased by 7% and 17% YoY due mainly to full repayment of bank borrowing in 2H2022.
- (viii) Other losses decreased by 94% and 87%, respectively, due mainly to the absence of fair value loss of S\$0.3 million for an investment in a Singapore company in 2H2023 and FY2023.

- (ix) Share of results of joint ventures for FY2023 increased by 28% due mainly to higher profit contribution in FY2023 from a joint venture, AP Saigon Petro Joint Stock Company.
- (x) Profit before tax for 2H2023 increased by \$0.5 million YoY due mainly to higher gross profit, interest income, and share of results of equity-accounted joint venture; offset by higher distribution costs.

Profit before tax for FY2023 decreased by \$0.6 million YoY due mainly to lower gross profit and higher expenses; offset by higher interest income.
- (xi) Income tax expense for FY2023 was the same as FY2022 despite decrease in profit before tax, due mainly to tax adjustments for under provision of prior year's tax expense (\$0.02 million) in FY2023, over provision of prior year's tax expense (\$0.01 million) in FY2022; and the purchase of a new factory at 17C Tuas Road that is non-tax-deductible, resulting in lower tax benefits.

Statement of Financial Position

- (i) Property, plant and equipment increased by 25% due mainly to the capitalisation of automated bottle filling line classified under deposit in FY2022 and purchase of 17C Tuas Road factory. Consequently, other assets, in current assets, decreased by S\$1.4 million.
- (ii) Other receivable of \$0.2 million, in non-current assets was a convertible loan provided to a Singapore company engaged in green hydrogen project.
- (iii) Inventories decreased by \$1.4 million due mainly to lower purchases of raw materials.
- (iv) 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.
- (v) Trade and other payables increased by S\$1.2 million as higher raw materials purchased at the year end.
- (vi) Lower income tax payable by 29% due mainly to FY2023 lower chargeable income.

Statement of Cash Flows

Cash flows from operating activities increased by S\$0.7 million due to lower inventories held and higher account payable at year end.

Cash flows used in investing activities reduced by S\$1.2 million due mainly to higher interest and government grant received; and lower investment made in FY2023.

Cash flows used in financing activities decreased by S\$6.3 million due to full redemption of bank borrowing of S\$5.3 million and lower dividend paid in FY2023.

Consequently, cash and cash equivalent of the Group rose by S\$0.3 million to S\$25.0 million due to higher cash flows generated from operating activities, offset by lower investing and 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.**

The global economic landscape remains murky. Hence, we do not expect the overall market for our products and services to expand. 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, some opportunities may arise. 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**

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 0.50 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 24 May 2024.

- (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 9 May 2024 to determine the shareholders' entitlement to the proposed 2023 final dividend.

Duly completed transfers of shares received by the Company's Share Registrar, Tricor Singapore Pte Ltd, 9 Raffles Place, #26-01, Republic Plaza Tower 1, Singapore 048619, up to close of business at 5.00pm on 8 May 2024 ("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		
	2023 S\$'000	2022 S\$'000	% Change
Revenue for first half year	20,750	31,129	-33%
Profit after tax reported for first half year	107	1,036	-90%
Revenue for second half year	25,467	29,982	-15%
Profit after tax reported for second half year	416	62	571%

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:**

	2023 S\$'000	2022 S\$'000
Ordinary*	823	823
Preference	-	-
Total:	823	823

* Includes proposed 2023 final dividend of 0.50 cent per ordinary share to be approved at AGM on 26 April 2024.

- 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
28 February 2024**