



ANNAIK LIMITED

(Company Registration No: 197702066M)

Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Group		
		6 Months Ended		
		30-Jun-25	30-Jun-24	Change
		S\$'000	S\$'000	%
Revenue	4	19,759	20,931	(5.60)
Cost of sales		(13,013)	(14,220)	(8.49)
Gross profit		6,746	6,711	0.52
Other operating income		681	454	50.00
Distribution expenses		(325)	(350)	(7.14)
Administrative expenses		(3,987)	(4,071)	(2.06)
Write-back/(allowance) for impairment losses on financial assets		10	(2) *	NM
Other operating expenses		(439)	(406) *	8.13
Share of loss of associate		(205)	(169)	21.30
Finance costs		(491)	(627)	(21.69)
Profit before tax	5	1,990	1,540	29.22
Income tax expense	6	(488)	(407)	19.90
Profit for the financial period		1,502	1,133	32.57
Profit attributable to:				
Owners of the Company		537	459	16.99
Non-controlling interests		965	674	43.18
		1,502	1,133	32.57
Earnings per share (cents per share):				
Basic and diluted		0.19	0.16	18.75

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	6 Months Ended		
	30-Jun-25	30-Jun-24	Change
	S\$'000	S\$'000	%
Profit for the financial period	1,502	1,133	32.57
Other comprehensive (loss)/income:			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation	(3,291)	182	NM
Other comprehensive (loss)/income for the financial period, net of tax	(3,291)	182	NM
Total comprehensive (loss)/income for the financial period	(1,789)	1,315	NM
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(1,961)	632	NM
Non-controlling interests	172	683	(74.82)
	(1,789)	1,315	NM

(1) NM denotes not meaningful.

(2) * (Represented)

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Condensed Interim Financial Statements For The Period Ended 30-06-2025

B. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		9,987	10,013	696	593
Trade receivables		19,566	22,391	-	-
Other receivables		1,498	2,309	-	101
Prepayments		205	143	25	16
Amounts due from subsidiaries and joint venture		-	8	7,217	7,867
Inventories		21,009	22,594	-	-
Total current assets		52,265	57,458	7,938	8,577
Non-current assets					
Property, plant and equipment	7	11,135	11,307	3	5
Right-of-use assets		3,976	4,090	-	-
Goodwill	8	497	497	-	-
Intangible assets	9	32,076	34,506	170	339
Investments in subsidiaries		-	-	28,881	28,881
Investment in associate		8,934	9,603	-	-
Investment in joint venture		51	- #	51	- #
Investment securities		-	-	-	-
Club membership		190	190	190	190
Refundable deposits		413	434	-	-
Deferred tax assets		194	204	-	-
Total non-current assets		57,466	60,831	29,295	29,415
Total assets		109,731	118,289	37,233	37,992
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	10	7,297	6,121	132	260
Lease liabilities		210	220	-	-
Bills payable	10	3,661	6,903	-	-
Trade payables		1,681	1,411	-	-
Other payables and accruals		3,656	5,314	300	1,113
Provision for income tax		1,393	1,607	-	-
Amounts due to subsidiaries and associate		53	150	276	276
Total current liabilities		17,951	21,726	708	1,649
Non-current liabilities					
Bank loans	10	8,168	9,891	-	-
Lease liabilities		2,538	2,585	-	-
Other payables and accruals		30	30	-	-
Deferred government grants		1,287	1,388	-	-
Deferred tax liabilities		1,023	1,059	-	-
Total non-current liabilities		13,046	14,953	-	-
Capital, reserves and non-controlling interests					
Share capital	11	38,864	38,864	38,864	38,864
Treasury shares	11	(568)	(568)	(568)	(568)
Reserves		25,940	27,901	(1,771)	(1,953)
Equity attributable to owners of the Company		64,236	66,197	36,525	36,343
Non-controlling interests		14,498	15,413	-	-
Total equity		78,734	81,610	36,525	36,343
Total equity and liabilities		109,731	118,289	37,233	37,992

Amount is less than one thousand.

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Condensed Interim Financial Statements For The Period Ended 30-06-2025

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Currency Translation Reserve	Reserve Fund	Fair Value Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group									
Balance at 1 January 2024	38,864	(568)	(2,733)	3,848	(67)	25,423	64,767	14,144	78,911
Profit for the financial period	-	-	-	-	-	459	459	674	1,133
Other comprehensive income	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	173	-	-	-	173	9	182
Total comprehensive income for the financial period	-	-	173	-	-	459	632	683	1,315
Distributions to owners									
Dividends paid	-	-	-	-	-	(866)	(866)	-	(866)
Total transactions with owners via their capacity as owners	-	-	-	-	-	(866)	(866)	-	(866)
Changes in ownership interests in subsidiaries									
Disposal of subsidiaries	-	-	-	-	-	-	-	(141)	(141)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(141)	(141)
Others									
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(142)	(142)
Balance at 30 June 2024	38,864	(568)	(2,560)	3,848	(67)	25,016	64,533	14,544	79,077
Balance at 1 January 2025	38,864	(568)	(2,488)	3,992	(67)	26,464	66,197	15,413	81,610
Profit for the financial period	-	-	-	-	-	537	537	965	1,502
Other comprehensive loss	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	(2,498)	-	-	-	(2,498)	(793)	(3,291)
Total comprehensive loss for the financial period	-	-	(2,498)	-	-	537	(1,961)	172	(1,789)
Others									
Transfer to statutory reserve fund	-	-	(15)	89	-	(74)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,087)	(1,087)
Balance at 30 June 2025	38,864	(568)	(5,001)	4,081	(67)	26,927	64,236	14,498	78,734

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C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

	Share Capital	Treasury Shares	Retained Earnings / (Accumulated Losses)	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
Balance at 1 January 2024	38,864	(568)	1,535	39,831
Total comprehensive loss for the financial period	-	-	(643)	(643)
<u>Distributions to owners</u>				
Dividends paid	-	-	(866)	(866)
Total transactions with owners via their capacity as owners	-	-	(866)	(866)
Balance at 30 June 2024	38,864	(568)	26	38,322
Balance at 1 January 2025	38,864	(568)	(1,953)	36,343
Total comprehensive income for the financial period	-	-	182	182
Balance at 30 June 2025	38,864	(568)	(1,771)	36,525

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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		6 Months Ended	
		30-Jun-25	30-Jun-24
		S\$'000	S\$'000
Cash flows from operating activities:			
Profit before tax		1,990	1,540
Adjustments for:			
Amortisation of government grants		(34)	(35)
Gain on disposal of property, plant and equipment		(1)	-
(Write-back)/allowance for impairment losses on financial assets		(10)	2 *
Depreciation of property, plant and equipment		400	442
Depreciation of right-of-use assets		96	160
Amortisation of intangible assets		1,058	1,095
Allowance for slow moving inventories		19	122
Share of loss of associate		205	169
Interest income		(20)	(42)
Finance costs		491	627
Currency translation differences		(998)	59
Operating profit before working capital changes		3,196	4,139
Decrease/(increase) in:			
Trade receivables		2,844	22 *
Other receivables and prepayments		759	(1,026)
Inventories		1,576	222
Increase/(decrease) in:			
Trade payables		270	(1,718)
Other payables and accruals		(1,658)	(2,424)
Bills payable		(3,242)	1,470
Cash generated from operations		3,745	685
Interest expense paid		(428)	(556)
Interest income received		20	42
Income taxes paid		(624)	(144)
Net cash flows from operating activities		2,713	27
Cash flows from investing activities:			
Proceeds from disposal of a disposal group classified as held for sale	A	-	220
Proceeds from disposal of property, plant and equipment		1	-
Purchase of property, plant and equipment		(282)	(716)
Additions to right-of-use assets		(80)	-
Additions to intangible assets		(278)	(500)
Investment in joint venture		(51)	-
Net cash flows used in investing activities		(690)	(996)
Cash flows from financing activities:			
Proceeds from loans and borrowings		1,500	3,908
Repayment of loans and borrowings		(1,865)	(4,180)
Decrease in amount due to associate		(97)	(116)
Dividends paid		-	(866)
Dividends paid to non-controlling interests		(1,087)	(142)
Payment of principal portion of lease liabilities		(54)	(92)
Payment of interest on lease liabilities		(63)	(71)
Net cash flows used in financing activities		(1,666)	(1,559)
Net increase/(decrease) in cash and cash equivalents		357	(2,528)
Cash and cash equivalents at beginning of financial period		10,013	11,073
Effect of exchange rate changes on the balance of cash held in foreign currencies		(383)	53
Cash and cash equivalents at end of financial period		9,987	8,598

Cash and cash equivalents, for the purpose of presenting consolidated statement of cash flows, consist of:

	30-Jun-25	30-Jun-24
	S\$'000	S\$'000
Cash and bank balances	9,987	8,598
	9,987	8,598

Note A: The above relates to the initial accounting for the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd., a 51%-owned subsidiary of the Company, including its subsidiaries and associate (Pioneer Group) as at the date of announcement of the Condensed Interim Financial Statements For The Six Months Ended 30 June 2024 (i.e. 14 August 2024), wherein the deconsolidation effects of the Pioneer Group have not yet been reflected. For the purpose of these financial statements, the comparative figures have not been restated.

*(Represented)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**1. CORPORATE INFORMATION**

AnnAik Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are as follows:

- (a) Investment holding;
- (b) Marketing and sale of steel related products; and
- (c) Owning and management of wastewater treatment plants.

2. BASIS OF PREPARATION

The condensed interim financial statements for the six months ("1H2025") ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

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.

The condensed interim financial statements are presented in Singapore dollars ("SGD" or "\$") which is the Company's functional currency and all values in the tables are rounded to the nearest thousand ("'\$000'") except when otherwise indicated.

2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

In the current financial period, the Group has adopted all the new and amended standards that are relevant to its operations and effective for the current financial period.

The adoption of these standards did not result in material changes to the Group's accounting policies and has no material effect on the financial results or position of the Group and the Company.

2.2 USE OF JUDGEMENTS AND ESTIMATES

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2024.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

(i) Included in Note 8 - Goodwill

(ii) Provision of expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for customer.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(iii) Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. In assessing the allowance for inventories, the Group takes into account the recent sales experience, the aging of inventories, the future market demand for their products and other factors that affect inventory obsolescence.

Based on management's estimate, inventories are fully provided for obsolescence if there are no sale movements within 4 years.

(iv) Impairment of investments in subsidiaries

Management has carried out a review of the recoverable amount of the investments in subsidiaries, with consideration to the existing performance of the relevant subsidiaries.

Management has estimated the recoverable amount based on the higher of value in use and fair value less costs of disposal. The recoverable amounts of investments in subsidiaries are assessed using the fair value less costs of disposal. Such assessment requires significant estimation by management.

(v) Impairment of intangible assets

Management assesses at the end of each reporting period whether there are any indicators of impairment of intangible assets. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

3. SEASONAL OPERATIONS

The Group's businesses are not affected by seasonal or cyclical factors during the financial period.

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Condensed Interim Financial Statements For The Period Ended 30-06-2025

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SEGMENT AND REVENUE INFORMATION

The following segment information is prepared based on the nature of the principal activities of the Company and its subsidiaries. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. They are segregated primarily into three reporting segments; i.e. distribution of stainless steel piping products; manufacturing of steel flanges and environmental business (including engineering construction of piping process system). Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

4.1 BUSINESS SEGMENTS

6 Months Ended - 30 June 2025	Distribution	Manufacturing of steel flanges	Environmental business	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External revenue (steel products)	11,264	-	-	-	11,264
External revenue	-	1,197	7,298	-	8,495
Inter-segment revenue	62	1,419	-	(1,481)	-
Total revenue	11,326	2,616	7,298	(1,481)	19,759
Result					
Segment results	(1,011)	209	3,671	(213)	2,656
Dividend income	1,871	-	1,761	(3,632)	-
Write-back for impairment losses on financial assets	-	-	10	-	10
Share of loss of associate	-	-	(205)	-	(205)
Interest income	-	-	-	-	20
Finance costs	-	-	-	-	(491)
Profit before tax	-	-	-	-	1,990
Income tax expense	-	-	-	-	(488)
Profit for the financial period	-	-	-	-	1,502
Assets					
Segment assets	38,596	6,852	55,298	-	100,746
Investment in associate	-	-	8,934	-	8,934
Investment in joint venture	-	-	51	-	51
Consolidated total assets	-	-	-	-	109,731
Liabilities					
Segment liabilities	7,367	1,541	6,624	-	15,532
Bank loans	12,391	255	2,819	-	15,465
Consolidated total liabilities	-	-	-	-	30,997
Other information					
Depreciation and amortisation	560	76	918	-	1,554
Capital expenditure	59	303	278	-	640
Other non-cash items	49	(363)	(676)	-	(990)

6 Months Ended - 30 June 2024	Distribution	Manufacturing of steel flanges	Environmental business	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External revenue (steel products)	12,202	-	-	-	12,202
External revenue	-	2,079	6,650	-	8,729
Inter-segment revenue	112	2,142	-	(2,254)	-
Total revenue	12,314	4,221	6,650	(2,254)	20,931
Result					
Segment results	(300)	310	2,813	(527)	2,296
Dividend income	220	-	1,910	(2,130)	-
Allowance for impairment losses on financial assets	-	-	(2)	-	(2)
Share of loss of associate	-	-	(169)	-	(169)
Interest income	-	-	-	-	42
Finance costs	-	-	-	-	(627)
Profit before tax	-	-	-	-	1,540
Income tax expense	-	-	-	-	(407)
Profit for the financial period	-	-	-	-	1,133
Assets					
Segment assets	40,038	6,941	57,470	-	104,449
Investment in associate	-	-	9,653	-	9,653
Consolidated total assets	-	-	-	-	114,102
Liabilities					
Segment liabilities	9,572	1,972	7,148	-	18,692
Bank loans and government loan	11,626	-	4,707	-	16,333
Consolidated total liabilities	-	-	-	-	35,025
Other information					
Depreciation and amortisation	621	98	978	-	1,697
Capital expenditure	307	401	508	-	1,216
Other non-cash items	84	118	(19)	-	183

*(Represented)

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Condensed Interim Financial Statements For The Period Ended 30-06-2025

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4.2 DISAGGREGATION OF REVENUE

	Sale of goods	Service income from environmental business	Construction revenue	Total revenue
6 Months Ended - 30 June 2025	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets				
Singapore	8,935	-	-	8,935
People's Republic of China	-	6,933	365	7,298
Malaysia	2,383	-	-	2,383
Indonesia	774	-	-	774
Australia	258	-	-	258
New Zealand	66	-	-	66
Hong Kong	-	-	-	-
Thailand	37	-	-	37
Vietnam	1	-	-	1
Others	7	-	-	7
	12,461	6,933	365	19,759
Timing of transfer of goods or services				
At a point in time	12,461	6,933	-	19,394
Over time	-	-	365	365
	12,461	6,933	365	19,759

	Sale of goods	Service income from environmental business	Construction revenue	Total revenue
6 Months Ended - 30 June 2024	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets				
Singapore	9,780	-	-	9,780
People's Republic of China	-	6,195	455	6,650
Malaysia	2,982	-	-	2,982
Indonesia	993	-	-	993
Australia	295	-	-	295
New Zealand	62	-	-	62
Hong Kong	21	-	-	21
Thailand	131	-	-	131
Vietnam	6	-	-	6
Others	11	-	-	11
	14,281	6,195	455	20,931
Timing of transfer of goods or services				
At a point in time	14,281	6,195	-	20,476
Over time	-	-	455	455
	14,281	6,195	455	20,931

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group	
	6 Months Ended	
	30-Jun-25	30-Jun-24
	S\$'000	S\$'000
Amortisation of government grants	(34)	(35)
Gain on disposal of property, plant and equipment	(1)	-
(Write-back)/allowance for impairment losses on financial assets	(10)	2
Depreciation of property, plant and equipment	400	442
Depreciation of right-of-use assets	96	160
Amortisation of intangible assets	1,058	1,095
Allowance for slow moving inventories	19	122
Share of loss of associate	205	169
Interest income	(20)	(42)
Finance costs	491	627
Net foreign exchange (gain)/loss	(195)	81

* (Represented)

6. INCOME TAX EXPENSE

The major components of income tax expense for the financial period ended 30 June are:

	Group	
	6 Months Ended	
	30-Jun-25	30-Jun-24
	S\$'000	S\$'000
Consolidated income statement		
Current taxation:		
- Current income taxation	398	431
- Under/(over) provision in respect of prior years	3	(34)
	401	397
Withholding tax expense	87	10
Income tax expense recognised in profit or loss	488	407

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets amounting to S\$282,310 (30 June 2024: S\$716,172) and disposed of assets with carrying amount of nil (30 June 2024: nil).

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Condensed Interim Financial Statements For The Period Ended 30-06-2025

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. GOODWILL

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination for impairment testing purpose, as follows:

	Group	
	As At	
	30-Jun-25	31-Dec-24
	S\$'000	S\$'000
AngWei Environmental Ecological & Engineering (Shanghai) Co., Ltd ("AngWei Enviro") and its subsidiaries (1)	497	497

(1) Relating to the wastewater treatment business of specific subsidiaries within the Group, arising from the service concession rights granted by the PRC government.

The recoverable amount of AngWei Enviro Group has been determined based on value in use calculation using cash flow projections from the financial budgets approved by management. This cash flow projections cover the remaining concession periods, useful lives of the wastewater treatment plant as well as the rights to draw water operated by the CGU, ranging from 13 - 22 years (2024: 14 - 23 years). The pre-tax discount rate applied to these cash flows is 10% (2024: 10%).

Key assumptions used for the value in use calculation:

The calculation of value in use is most sensitive to the following assumptions:

Revenue growth rate - Projected revenue for wastewater treatment plant is based on government guarantee stated in the service concession agreement with the local government.

Pre-tax discount rate - Pre-tax discount rate was determined with reference to the discount rates used by industry peers which is based on weighted average cost of capital ("WACC"). The WACC takes into account both the cost of debt and equity used by entities in similar industries.

Budgeted gross profit margins - Budgeted gross profit margins is based on results achieved in the year preceding the start of the budget period.

Sensitivity to changes in key assumptions:

With regards to the assessment of value in use for AngWei Enviro, management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

9. INTANGIBLE ASSETS

	Group			
	Patent rights	Concession rights	Technical know-how	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At 1 January 2024	3,732	47,610	373	51,715
Additions	-	1,065	-	1,065
Written off	-	(47)	-	(47)
Exchange differences	-	(13)	-	(13)
At 31 December 2024 and 1 January 2025	3,732	48,615	373	52,720
Additions	-	278	-	278
Exchange differences	-	(2,353)	(18)	(2,371)
At 30 June 2025	3,732	46,540	355	50,627
Accumulated amortisation:				
At 1 January 2024	3,053	12,658	373	16,084
Amortisation charge for the financial year	340	1,807	-	2,147
Written off	-	(24)	-	(24)
Exchange differences	-	7	-	7
At 31 December 2024 and 1 January 2025	3,393	14,448	373	18,214
Amortisation charge for the financial period	169	889	-	1,058
Exchange differences	-	(703)	(18)	(721)
At 30 June 2025	3,562	14,634	355	18,551
Carrying amount:				
At 31 December 2024	339	34,167	-	34,506
At 30 June 2025	170	31,906	-	32,076

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. INTANGIBLE ASSETS (continued)

	Company Patent rights S\$'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	3,732
Accumulated amortisation:	
At 1 January 2024	3,053
Amortisation charge for the financial year	340
At 31 December 2024 and 1 January 2025	3,393
Amortisation charge for the financial period	169
At 30 June 2025	3,562
Carrying amount:	
At 31 December 2024	339
At 30 June 2025	170

10. LOANS AND BORROWINGS

	Group As At		Company As At	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand:-				
Secured	10,826	12,764	-	-
Unsecured	132	260	132	260
Sub-total	10,958	13,024	132	260
Amount repayable after one year				
Secured	8,168	9,891	-	-
Unsecured	-	-	-	-
Sub-total	8,168	9,891	-	-
Total borrowings	19,126	22,915	132	260

Details of any collaterals

As at 30 June 2025 and 31 December 2024, the Group's secured borrowings consist of bank loans and bills payable.

As at 30 June 2025, bank loans of S\$5.96m (31 December 2024: S\$6.37m) was secured by a charge over a property of a subsidiary.

As at 30 June 2025, bills payable and remaining bank loans of S\$13.03m (31 December 2024: S\$16.29m) was secured by corporate guarantee of the Company and corporate guarantee by a subsidiary company.

11. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	30-Jun-25		31-Dec-24	
	No. of ordinary shares '000	Amount S\$'000	No. of ordinary shares '000	Amount S\$'000
Share capital				
Beginning of financial period/year	294,054	38,864	294,054	38,864
End of financial period/year	294,054	38,864	294,054	38,864
Treasury shares				
Beginning of financial period/year	(5,534)	(568)	(5,534)	(568)
End of financial period/year	(5,534)	(568)	(5,534)	(568)

Company has 5,533,700 treasury shares as at 30 June 2025 and 31 December 2024.

Company issued nil ordinary shares as at 30 June 2025 and 31 December 2024.

There were no outstanding convertibles and shares held as subsidiary holdings as at 30 June 2025, 31 December 2024 and 30 June 2024.

12. DIVIDENDS

	Group 6 Months Ended	
	30-Jun-25	30-Jun-24
	S\$'000	S\$'000
Declared and paid during the financial period:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2024: nil (2023: 0.3) cent per share	-	866

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. RELATED PARTIES TRANSACTIONS

	Group	
	6 Months Ended	
	30-Jun-25	30-Jun-24
	S\$'000	S\$'000
Sales and purchases of goods and services		
In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:		
Purchase of goods from a corporate shareholder of a subsidiary	71	176
Compensation of directors and key management personnel		
The remuneration of directors and other members of key management during the financial period were as follows:		
Salaries, bonuses and benefits	1,064	1,025 *
Central Provident Fund contributions	45	41
Directors' fees	60	55
	1,169	1,121 *
Comprise of:		
- Directors of the Company	760	723 *
- Other key management personnel	409	398
	1,169	1,121 *
The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.		

* (Represented)

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	As At		As At	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets (Amortised cost)				
Refundable deposits	413	434	-	-
Trade and other receivables (1)	8,928	11,872	-	101
Amounts due from subsidiaries and joint venture	-	8	7,217	7,867
Cash and cash equivalents	9,987	10,013	696	593
	19,328	22,327	7,913	8,561
Financial liabilities (Amortised cost)				
Trade payables	1,681	1,411	-	-
Other payables and accruals (2)	3,346	5,263	290	1,101
Amounts due to associate	53	150	-	-
Amounts due to subsidiaries	-	-	276	276
Loans and borrowings	19,126	22,915	132	260
Lease liabilities	2,748	2,805	-	-
	26,954	32,544	698	1,637

(1) Exclude VAT/GST receivables, advances to suppliers and accrued revenue.

(2) Exclude VAT/GST payables and deposits from customers.

15. CONTINGENCIES

On 13 December 2023, the Company entered into a sale and purchase agreement (SPA) with a minority shareholder of its subsidiary, Pioneer Environmental Technology Pte. Ltd. (Pioneer), a 51% owned subsidiary of the Company (Purchaser) to dispose of all the Company's shares in Pioneer. Pursuant to the SPA, the Company will continue to provide securities and guarantees ("Guarantees") to Pioneer for its ongoing projects and bank facilities until the completion of these projects undertaken by Pioneer or when Pioneer has fully settled the bank facilities and discharged their obligations to the bank.

Based on the SPA, the outstanding obligations to be fulfilled under the project contract amounted to approximately S\$4,450,000, of which the bank has provided banker's guarantees of approximately S\$1,790,000.

No liabilities were expected to arise from the Guarantees as the Company's exposure is mitigated by the certain securities pledged by the Purchaser. Accordingly, no provision was recognised for the financial year ended 31 December 2024, during which the Guarantees were still subsisting.

As announced on 13 June 2025, following the release of the Company's obligations as guarantor under the Guarantees, the securities pledged by the Purchaser has been fully discharged, and that all formalities relating to the disposal of the Pioneer have been completed.

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

F. OTHER INFORMATION

1. (a)(i) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

SHARE CAPITAL

	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	No. of Ordinary Shares		Amount	
	'000		S\$'000	
Balance as at beginning of financial period/year 294,053,974 ordinary shares	294,054	294,054	38,864	38,864
Less: Treasury Shares	(5,534)	(5,534)	(568)	(568)
Balance as at end of financial period/year 288,520,274 ordinary shares	288,520	288,520	38,296	38,296
Percentage (%) of treasury shares held against the total number of shares outstanding as at end of financial period/year	1.90	1.90		

Company has 5,533,700 treasury shares as at 30 June 2025 and 31 December 2024.

Company issued nil ordinary shares as at 30 June 2025 and 31 December 2024.

There were no outstanding convertibles and shares held as subsidiary holdings as at 30 June 2025, 31 December 2024 and 30 June 2024.

1. (a)(ii) 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.

Please refer to item 1(a)(i) above.

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

There are no sales or transfers, cancellation and/or use of treasury shares between 1 January 2025 and 30 June 2025.

1. (a)(iv) 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.

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

F. OTHER INFORMATION (continued)

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

The figures have not been audited nor reviewed by our auditors.

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

Not applicable.

3. (a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

(i) update on the efforts taken to resolve each outstanding audit issue,

(ii) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

There has been no changes in the accounting policies and methods of computation, including any required by an accounting standard.

The Group and Company have adopted the same accounting policies and methods of computation for the current financial period as those applied in the financial year ended 31 December 2024.

5. If there are 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.

Not applicable.

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

EARNING PER ORDINARY SHARE

	Group		
	30-Jun-25	30-Jun-24	Change
			%
Earnings per ordinary share for the financial period based on net profit attributable to the equity holders of the Company			
(i) Based on weighted average number of ordinary shares (in cents)	0.19	0.16	18.75
- Weighted average number of shares	288,520,274	288,520,274	-
(ii) On a fully diluted basis (in cents)	0.19	0.16	18.75
- Adjusted weighted average number of shares	288,520,274	288,520,274	-

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group			Company		
	As At		Change	As At		Change
	30-Jun-25	31-Dec-24		30-Jun-25	31-Dec-24	
	Cents	Cents	%	Cents	Cents	%
Net asset attributable to owners of the Company per ordinary share based on the existing issued share capital excluding treasury shares as at end of financial period/year	22.26	22.94	(2.96)	12.66	12.60	0.48

The net asset value per ordinary share is based on 288,520,274 (2024: 288,520,274) shares at the end of each financial period/year.

F. OTHER INFORMATION (continued)

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 financial year reported on.**

Income Statement

The Group's profit attributable to owners of the Company for the period ended 30 June 2025 ("1H2025") was S\$0.54 million as compared to S\$0.46 million recorded in the prior comparative period, being the period ended 30 June 2024 ("1H2024"). The increase was mainly due to recognition of miscellaneous services and maintenance work income from its environmental engineering business and higher wastewater treatment income and profit generated from industrial cum municipal wastewater business in the People's Republic of China ("PRC"). However, this was partially offset by the impact of competitive steel prices and weak market conditions affecting the distribution of steel products and the manufacturing of steel flanges businesses.

The Group's revenue decreased by approximately S\$1.17 million or 5.60% from S\$20.93 million in 1H2024 to S\$19.76 million in 1H2025. The decrease was mainly due to:

- significantly lower sales from the distribution of steel products business under the distribution division with external parties;
- significantly lower sales generating from manufacturing of steel flanges with external parties; and partially offset by:
- higher turnover from environmental business division attributed to higher sales generated from industrial cum municipal wastewater treatment business and miscellaneous services and maintenance work.

The Group recorded a gross profit of S\$6.75 million in 1H2025, which is comparable with S\$6.71 million in 1H2024. While the gross profit was lower from distribution of steel products business, the gross profit from industrial cum municipal wastewater treatment business and miscellaneous services and maintenance work was higher. Overall gross profit margin improved from 32.1% in 1H2024 to 34.1% in 1H2025.

Other operating income increased by S\$0.23 million or 50.00% from S\$0.45 million in 1H2024 to S\$0.68 million in 1H2025. The increase was mainly due to higher foreign currency exchange gain from the appreciation of Singapore dollars against United States dollars, which the Group transacts in.

As a result of fewer EPC projects secured and delivered during the period from the rural wastewater treatment business under the environmental business division, share of results of associate recorded a loss of S\$0.21 million in 1H2025 as compared to share of loss of S\$0.17 million in 1H2024.

Finance costs decreased by S\$0.14 million or 21.69% from S\$0.63 million in 1H2024 to S\$0.49 million in 1H2025 mainly attributed to the reduction in interest expense on bank loans as a result of net repayments made during the year.

Income tax expense increased by S\$0.08 million or 19.90% from S\$0.41 million in 1H2024 to S\$0.49 million in 1H2025 mainly due to higher withholding tax arising from increased dividend income received from PRC.

Statement of Financial Position

The current assets of the Group decreased by S\$5.19 million from S\$57.46 million as at 31 December 2024 to S\$52.27 million as at 30 June 2025, mainly attributed to:

- decrease in trade receivables of S\$2.82 million in tandem with lower sales generated and improved collections;
- decrease in other receivables of S\$0.81 million mainly due to goods received in 1H2025 for advances made to suppliers in FY2024; and
- decrease in inventories of S\$1.59 million as a result of better inventory management for stock replenishment.

Based on FY2024 revenue of S\$46.40 million and an annualised 1H2025 revenue of S\$38.79 million (excluding revenue accounted under SFRS(I) INT 12 Service Concession Arrangements), debtor turnover increased from 176 days as at 31 December 2024 to 183 days as at 30 June 2025. This increase is mainly attributable to the lower annualised revenue base. Nonetheless, trade receivables dropped from S\$22.39 million to S\$19.57 million, indicating improved collections.

The Group maintained a healthy and positive working capital of S\$34.32 million or current ratio of 2.91 times with current assets of S\$52.27 million and current liabilities of S\$17.95 million as at 30 June 2025.

The non-current assets of the Group decreased by S\$3.36 million from S\$60.83 million as at 31 December 2024 to S\$57.47 million as at 30 June 2025. The decrease was mainly attributed to:

- decrease in intangible assets of S\$2.43 million mainly due to the amortisation charge and recognition of foreign currency translation loss arising from the depreciation of Renminbi against Singapore dollars; and
- decrease in investment in associate by S\$0.67 million due to share of loss of associate and recognition of foreign currency translation loss arising from the depreciation of Renminbi against Singapore dollars during the period.

The total liabilities of the Group decreased by S\$5.68 million from S\$36.68 million as at 31 December 2024 to S\$31.00 million as at 30 June 2025. The decrease was mainly attributable to repayment of bank loans, bills payable, reductions in other payables and accruals amounting to S\$0.55 million, S\$3.24 million and S\$1.66 million respectively.

Net gearing ratio decreased from 0.24 times as at 31 December 2024 to 0.19 times as at 30 June 2025.

Cash Flow

Net cash flow generated from operating activities amounted to S\$2.71 million in the current period as a result of its operating profit before working capital changes of S\$3.20 million and net increase in working capital changes of S\$0.55 million. This is partially offset by interest paid amounting to S\$0.43 million and income tax paid amounting to S\$0.62 million during the financial period.

Net cash flow used in investing activities amounted to S\$0.69 million mainly due to additions in intangible assets, property, plant and equipment, right-of-use assets and investment in joint venture, which relates to the additional capital contribution to Anxon Ecotech Pte. Ltd.. Further details as set out in Section F16.

Net cash flow used in financing activities amounted to S\$1.67 million mainly due to net repayments to loans and borrowings, payment of lease liabilities and amount owing to associate, and dividend paid to non-controlling interests of its PRC subsidiaries, supported by improved collections from counterparties in the PRC.

The Group's net asset per share as at 30 June 2025 was 22.26 cents and weighted average earnings per share was 0.19 cents.

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

F. OTHER INFORMATION (continued)

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

The Group's financial results for financial period ended 30 June 2025 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 28 February 2025 in relation to its results for full year ended 31 December 2024.

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 Group has not experienced material effects from recent geopolitical developments, such as the conflicts in Eastern Europe and the Middle East, as our distribution and manufacturing divisions do not have direct exposure to the affected markets. However, recent trade tensions including the imposition of higher tariffs by the US on Chinese goods may cause indirect impacts like a shift in trade flows, with the possibility of Chinese manufacturers redirect excess supply to Southeast Asia. This could result in increased competition and downward pricing pressure in the region, potentially affecting demand and compressing margins in the near term.

In PRC, our environmental division continues to operate under established offtake arrangements. Collections from counterparties in the PRC have improved, contributing to stronger cash flow and operational stability. The Group remains cautious in its investment and expansion plans, while also exploring opportunities for new business models in Malaysia to enhance long-term growth and resilience.

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

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

None.

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

Not applicable.

- (b) (ii) **Previous corresponding period in cents.**

Not applicable.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

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

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended after taking into consideration the Group's capital commitment plan and its cash flow requirements.

ANNAIK LIMITED

Condensed Interim Financial Statements For The Period Ended 30-06-2025

F. OTHER INFORMATION (continued)

13. If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT"), 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.

No IPT mandate has been obtained from shareholders. There were no IPTs entered during the financial period.

14. Negative Confirmation by the Board pursuant to Rule 705(5).

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of AnnAik Limited which may render the financial statements announcement for the six months period ended 30 June 2025 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

16. Disclosure pursuant to Rule 706A of the Catalist Rules.

On 26 May 2025, the Company's wholly-owned subsidiary, Anxon Oasis Pte. Ltd. ("Anxon"), together with Ms. Danielea Dhanial Binti Amran ("Ms. Danielea"), incorporated a new subsidiary in Malaysia, Shinsei Energy Sdn. Bhd. ("Shinsei Energy"), with an initial issued and paid-up share capital of MYR1,000 comprising 1,000 ordinary shares. The initial shareholding structure was 30% held by Anxon and 70% held by Ms. Danielea. Subsequently, on 24 July 2025, the share capital of Shinsei Energy was increased to MYR100,000 through the issuance of an additional 99,000 ordinary shares. The shareholding structure remained unchanged at 30% held by Anxon and 70% held by Ms. Danielea.

Although Anxon holds 30% of the equity interest in Shinsei Energy, it has control over the operations and management of the entity pursuant to the terms of the shareholders' agreement dated 24 July 2025. As such, Shinsei Energy will be treated as a subsidiary of the Company for accounting consolidation purposes.

The principal activity of Shinsei Energy is to engage in the oil and gas and energy sectors, specialising in the sourcing, processing, and delivery of high-quality raw materials for infrastructure and construction applications. The incorporation of Shinsei Energy was funded through internal resources and is not expected to have any material impact on the earnings per share or net tangible assets of the Group for the financial year ending 31 December 2025.

On 26 June 2025, Anxon Ecotech Pte. Ltd. ("Anxon Ecotech"), a 51%-owned joint venture of the Company, increased its issued share capital from S\$100 to S\$1,000,000, comprising of 100,000 paid-up ordinary shares and 900,000 unpaid ordinary shares. There is no change in the percentage shareholding of Anxon Ecotech owned by the Company following the increase in issued share capital. The unpaid contribution of Anxon Ecotech will be fully paid by each partner based on their respective shareholding proportion in due course. The increase in issued share capital was funded through internal resources and is not have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2025.

Ow Chin Seng
Executive Director

Ng Kim Keang
Executive Director

14 August 2025

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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 Lim Qi Fang (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.