



Company Registration Number: 199905693M

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

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

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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

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

<b>Consolidated Statement of Comprehensive Income</b>	<b>Note</b>	<b>Unaudited 1H FY2022<sup>1</sup> US\$'000</b>	<b>Unaudited 1H FY2021<sup>2</sup> US\$'000</b>	<b>Change %</b>
Oil sale	2.5.1	1,271	826	54
Investment income	2.5.1	53	-	NM <sup>3</sup>
<b>Total revenue</b>		<b>1,324</b>	<b>826</b>	<b>60</b>
Cost of sales		(856)	(830)	3
Gross profit/(loss)		468	(4)	NM <sup>3</sup>
<i>Other items of income</i>				
Interest income		1	-	NM <sup>3</sup>
Other income		17,727	91	>100
<i>Other items of expense</i>				
Administrative expenses		(1,465)	(644)	>100
Finance costs		(85)	(254)	(67)
Other expenses		(217)	(507)	(57)
Other charges		(1,234)	(87)	>100
Profit/(loss) before income tax	2.7	15,195	(1,405)	NM <sup>3</sup>
Income tax credit	2.8	121	156	(22)
<b>Profit/(loss) for the financial period</b>	2.7	<b>15,316</b>	<b>(1,249)</b>	<b>NM<sup>3</sup></b>
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation		-	(7)	NM <sup>3</sup>
Other comprehensive income for the financial period, net of tax		-	(7)	NM <sup>3</sup>
<b>Total comprehensive profit/(loss) for the financial period</b>		<b>15,316</b>	<b>(1,256)</b>	<b>NM<sup>3</sup></b>
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		15,320	(1,250)	NM <sup>3</sup>
Non-controlling interests		(4)	1	NM <sup>3</sup>
		15,316	(1,249)	NM <sup>3</sup>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company		15,320	(1,257)	NM <sup>3</sup>
Non-controlling interests		(4)	1	NM <sup>3</sup>
		15,316	(1,256)	NM <sup>3</sup>

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

	Note	Unaudited 1H FY2022 <sup>1</sup> US\$'000	Unaudited 1H FY2021 <sup>2</sup> US\$'000	Change %
<b>Other income</b>				
Foreign exchange gain, net		88	14	>100
Net fair value changes in investment securities carried at fair value through profit or loss		(2)	28	NM <sup>3</sup>
Gain on recovery of loan to associate		153	-	NM <sup>3</sup>
Gain on settlement of bank loan		17,481	-	NM <sup>3</sup>
Other income		7	49	(86)
		17,727	91	>100
<b>Finance costs</b>				
Interest expense		(85)	(254)	(67)
<b>Other charges</b>				
Allowance for obsolescence		(238)	(87)	>100
Provision of impairment on other receivables	2.12	(996)	-	NM <sup>3</sup>
		(1,234)	(87)	>100
<b>Others</b>				
Depreciation of other property, plant and equipment and right-of-use assets		44	127	(65)
Depletion of oil and gas properties		389	454	(14)
		433	581	(25)

<sup>1</sup>“**1H FY2022**”: Six-Month financial period from 1 July 2021 to 31 December 2021

<sup>2</sup>“**1H FY2021**”: Six-Month financial period from 1 July 2020 to 31 December 2020

<sup>3</sup>“**NM**”: Not Meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		Unaudited 31-Dec-21 US\$'000	Audited 30-Jun-21 US\$'000	Unaudited 31-Dec-21 US\$'000	Audited 30-Jun-21 US\$'000
<b>Statements of Financial Position</b>					
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Exploration, evaluation and development assets		12,695	14,187	-	-
Oil and gas properties		56,333	54,521	-	-
Other property, plant and equipment		1,231	1,189	21	-
Investments in subsidiaries		-	-	58,693	57,580
Other receivables		-	1,809	-	1,809
Total Non-Current Assets		70,259	71,706	58,714	59,389
<b>Current Assets</b>					
Inventories		1,862	1,949	-	-
Trade and other receivables	2.12	1,607	247	1,449	-
Deposits		35	46	-	4
Prepayments		34	62	20	25
Investment securities	2.11	12	14	-	-
Cash and bank balances		1,082	922	228	43
Total Current Assets		4,632	3,240	1,697	72
<b>Total Assets</b>		<b>74,891</b>	<b>74,946</b>	<b>60,411</b>	<b>59,461</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	2.14	148,165	146,784	148,165	146,784
Reserves		(4,905)	(5,102)	197	-
Accumulated losses		(107,297)	(122,617)	(89,303)	(87,494)
Equity attributable to owners of the Company		35,963	19,065	59,059	59,290
Non-controlling interests		3	7	-	-
Total Equity		35,966	19,072	59,059	59,290
<b>Non-Current Liabilities</b>					
Provision for restoration costs		1,492	1,460	-	-
Deferred tax liabilities		34,067	34,164	-	-
Total Non-Current Liabilities		35,559	35,624	-	-
<b>Current Liabilities</b>					
Trade and other payables		3,366	2,417	1,352	171
Bank borrowings	2.13	-	17,826	-	-
Income tax payables		-	7	-	-
Total Current Liabilities		3,366	20,250	1,352	171
Total Liabilities		38,925	55,874	1,352	171
<b>Total Equity and Liabilities</b>		<b>74,891</b>	<b>74,946</b>	<b>60,411</b>	<b>59,461</b>

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

	Unaudited 1H FY2022 US\$'000	Unaudited 1H FY2021 US\$'000
<b>Consolidated Statement of Cash Flows</b>		
<b>Operating activities</b>		
Profit/(loss) before income tax	15,195	(1,405)
Adjustments for:		
Net fair value changes in investment securities carried at fair value through profit or loss	2	(28)
Depreciation of other property, plant and equipment and right-of-use assets	44	127
Depletion of oil and gas properties	389	454
Allowance for obsolescence	238	87
Gain on settlement of bank loan	(17,481)	-
Gain on recovery of loan to associate	(153)	-
Provision of impairment on other receivables	996	-
Interest expense	85	254
Operating cash flows before working capital changes	(685)	(511)
Working capital changes:		
Inventories	(151)	8
Trade and other receivables	108	(25)
Other assets	11	(9)
Prepayments	28	30
Trade and other payables	1,715	538
Cash generated from operations	1,026	31
Income tax paid	(15)	(23)
Net cash generated from operating activities	1,011	8
<b>Investing activities</b>		
Purchase of other property, plant and equipment	(86)	(2)
Additions to oil and gas properties	(709)	(92)
Proceeds from sales of investment securities	-	37
Loan to associate	(502)	-
Net cash used in investing activities	(1,297)	(57)
<b>Financing activities</b>		
Interest paid	(18)	(778)
Repayment of lease liabilities	-	(84)
Net proceeds from issuance of ordinary shares including share issuance expenses	1,381	2,467
Capital reserves	197	-
Repayment of bank borrowings	(1,114)	(1,126)
Net cash generated from financing activities	446	479
Net change in cash and cash equivalents	160	430
Foreign currency translation adjustments	-	(7)
Cash and cash equivalents at beginning of financial period	922	402
Cash and cash equivalents at end of financial period	1,082	825

D. Condensed interim statements of changes in equity

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

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

Statement of Changes in Equity	Group	Equity attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Other reserve	Foreign currency translation account	Accumulated losses	Total		
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 July 2020 (audited)	2.15	140,245	(5,102)	7	(117,886)	17,264	1	17,265
(Loss)/profit for the financial period		-	-	-	(1,250)	(1,250)	1	(1,249)
<b>Other comprehensive income for the financial period:</b>								
Currency translation differences arising from consolidation		-	-	(7)	-	(7)	-	(7)
<b>Total comprehensive (loss)/income for the financial period</b>		-	-	(7)	(1,250)	(1,257)	1	(1,256)
Issuance of shares		2,467	-	-	-	2,467	-	2,467
Balance at 31 December 2020 (unaudited)		142,712	(5,102)	-	(119,136)	18,474	2	18,476

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

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

<b>Statement of Changes in Equity</b>		<b>Share capital US\$'000</b>	<b>Accumulated losses US\$'000</b>	<b>Total equity US\$'000</b>
<b>Company</b>	<b>Note</b>			
Balance at 1 July 2020 (audited)	2.15	140,245	(86,523)	53,722
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>		-	(348)	(348)
Issuance of shares		2,467	-	2,467
Balance at 31 December 2020 (unaudited)		142,712	(86,871)	55,841

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

### 1 Corporate Information

CapAllianz Holdings Limited (formerly known as CWX Global Limited) (the “Company”) is a public limited company, incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

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

#### 2.1 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual audited consolidated financial statements for the year ended 30 June 2021.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on as that of the Company’s most recently annual audited consolidated financial statements for the year ended 30 June 2021, except for the adoption of new and revised standards as set out in Note 2.2 of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements for the six months ended 31 December 2021 are presented in United States dollar which is the Company’s functional currency.

#### Going concern

The Group recorded net profit of US\$15,316,000 and net cash used in operating activities of US\$1,011,000 for the six months ended 31 December 2021, and as of that date, the Group’s current assets exceeded its current liabilities by US\$1,266,000.

In addition, on 10 February 2022, the Company successfully completed a share placement exercise and raised aggregate gross proceeds of S\$2.5 million (equivalent to approximately US\$1.86 million based on an exchange rate of US\$1.345 : S\$1.00). Please refer to Note 2.15 under Section E to this set of the condensed interim consolidated financial statements for more details.

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern, and the condensed interim consolidated financial statements for the six months ended 31 December 2021 have been prepared on a going concern basis which contemplates that the Group will be able to pay its debts as and when they fall due and payable and realise its assets and extinguish its liabilities in the ordinary course of business.

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

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

The Group and the Company have adopted all the new and revised SFRS(I)s and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 July 2021. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations does not have any material effect on the financial performance of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

#### 2.3 Use of estimates and judgements

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the last annual audited consolidated financial statements as at and for the year ended 30 June 2021.

#### 2.4 Seasonal Operations

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

## 2.5 Segment and revenue information

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

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

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

### 2.5.1 Reportable segments

1H FY2022 (unaudited)	Oil and Gas US\$'000	Investment and Trading US\$'000	Unallocated US\$'000	Total US\$'000
<b>Revenue</b>				
- Sales to external customers	1,271	53	-	1,324
<b>Results</b>				
Segment results	415	53	-	468
Interest income	-	-	1	1
Other income	17,488	151	88	17,727
Other charges	(238)	(996)	-	(1,234)
Finance costs	(81)	-	(4)	(85)
Administrative and other expenses	(1,273)	(115)	(294)	(1,682)
Profit before income tax				15,195
Income tax credit				121
<b>Profit for the financial period</b>				<b>15,316</b>
<b>Total assets</b>				
	73,225	1,359	307	74,891
<b>Total liabilities</b>				
	37,534	13	1,378	38,925
<b>Other information</b>				
Capital expenditure	759	-	36	795
<b>Other material non-cash items:</b>				
Depreciation of other property, plant and equipment and right-of-use assets	(27)	-	(17)	(44)
Depletion of oil and gas properties	(389)	-	-	(389)
Net fair value changes in investment securities carried at fair value through profit or loss	-	(2)	-	(2)
Gain on settlement of bank loan	17,481	-	-	17,481
Gain on recovery of loan to associate	-	153	-	153
Provision of impairment on other receivables	-	(996)	-	(996)

1H FY2021 (unaudited)	Oil and Gas US\$'000	Investment and Trading US\$'000	Unallocated US\$'000	Total US\$'000
Revenue				
- Sales to external customers	826	-	-	826
<b>Results</b>				
Segment results	(4)	-	-	(4)
Other income	8	28	55	91
Other charges	(87)	-	-	(87)
Finance costs	(210)	-	(44)	(254)
Administrative and other expenses	(501)	(123)	(527)	(1,151)
Loss before income tax				(1,405)
Income tax credit				156
Loss for the financial period				(1,249)
<b>Total assets</b>	78,595	61	426	79,082
<b>Total liabilities</b>	56,916	29	3,661	60,606
<b>Other information</b>				
Capital expenditure	-	3,273	-	3,273
<b>Other material non-cash items:</b>				
Depreciation of other property, plant and equipment and right-of-use assets	(27)	(8)	(92)	(127)
Depletion of oil and gas properties	(454)	-	-	(454)
Net fair value changes in investment securities carried at fair value through profit or loss	-	28	-	28

## 2.5.2 Disaggregation of Revenue

Revenue information based on geographical segments are as follows:

	Revenue 6 months ended 31 December 2021		
	Singapore US\$'000	Thailand US\$'000	Total US\$'000
Interest income <sup>(a)</sup>	53	-	53
Sales of crude oil <sup>(b)</sup>	-	1,271	1,271
Total	53	1,271	1,324

	Revenue 6 months ended 31 December 2020		
	Singapore US\$'000	Thailand US\$'000	Total US\$'000
Sales of crude oil <sup>(b)</sup>	-	826	826
Total	-	826	826

(a) Interest income is calculated on effective interest method for loan to associated company.

(b) The Group derives revenue from the transfer of goods at a point in time and all customers are based in Thailand.

## 2.6 Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of 31 December 2021 and 30 June 2021:

	Group		Company	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	US\$'000 (Unaudited)	US\$'000 (Audited)	US\$'000 (Unaudited)	US\$'000 (Audited)
<b>Financial assets</b>				
Cash and bank balances	1,082	922	228	43
Fair value through profit or loss (FVPL)	12	14	-	-
Financial assets at amortised cost	1,642	2,102	1,449	1,813
	<b>2,736</b>	<b>3,038</b>	<b>1,677</b>	<b>1,856</b>
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	3,366	20,243	1,352	171

## 2.7 Profit/(loss) before taxation

### 2.7.1 Significant items

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

	Group	
	1H FY2022 US\$'000	1H FY2021 US\$'000
<b>Cost of sales</b>		
Depletion of oil and gas properties	389	454
Thailand Petroleum royalties and other government taxes	64	41
<b>Administrative expenses</b>		
Audit fees		
- Auditors of the Company	30	37
Directors' fees	56	38
Employee benefits expense		
- Salaries, bonuses and other short-term benefits	1,100	312
- Defined contributions plan expenses	15	14
<b>Other expenses</b>		
Depreciation of other property, plant and equipment, right-of-use assets	44	127
Legal and professional fees	103	311

### 2.7.2 Related party transactions

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

## 2.8 Taxation

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

	Group	
	6 months ended 31 December 2021 US\$'000	6 months ended 31 December 2020 US\$'000
Current tax		
- current financial period	558	543
- overprovision in prior periods	(537)	(537)
Deferred tax		
- current financial period	(142)	(162)
	<u>(121)</u>	<u>(156)</u>

## 2.9 Earnings/(loss) per share

Earnings/(loss) per share of the Group based on profit/(loss) attributable to owners of the Company	1H FY2022	1H FY2021
- Basic (US cents)	0.22	(0.03)
- On a fully diluted basis (US cents)	0.22	(0.03)

### Notes:

The basic and diluted earnings per share for 1H FY2022 are calculated based on 7,061,613,509 weighted average number of ordinary shares in issue. The basic and diluted loss per share for 1H FY2021 are calculated based on 4,444,110,196 weighted average number of ordinary shares in issue.

Diluted earnings per share for 1H FY2022 is the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive. Diluted loss per share for 1H FY2021 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

## 2.10 Net Asset Value

	Group 31-Dec-21	Group 30-Jun-21	Company 31-Dec-21	Company 30-Jun-21
Net asset value per share (US cents)	0.48	0.28	0.78	0.86

### Note:

The net asset value per share as at 31 December 2021 and 30 June 2021 are calculated based on 7,567,914,879 and 6,867,914,879 ordinary shares in issue respectively.

## 2.11 Fair value measurement

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Group			Total US\$'000	
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000		
	<b>As at 31 December 2021</b>				
	Financial asset, at FVPL	12	-		-
<b>As at 30 June 2021</b>					
Financial asset, at FVPL	14	-	-	14	

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

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

## 2.12 Trade and other receivables

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

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

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

## 2.13 Borrowings

Group	Maturity	Current	Non-current	Total
		US\$'000	US\$'000	US\$'000
<b>As at 31 December 2021</b>				
<u>Secured</u>				
Bank Loan I	30 July 2021	-	-	-
		-	-	-
<b>As at 30 June 2021</b>				
<u>Secured</u>				
Bank Loan I	30 July 2021	17,826	-	17,826
		17,826	-	17,826

### Bank Loan I

During the financial year ended 30 June 2014, the Company's wholly-owned subsidiary, Loyz Oil Pte. Ltd. ("**Loyz Oil**"), drew down US\$32.0 million pursuant to the term loan from OCBC Bank to finance the acquisition of the Thailand Operations held by Carnarvon Thailand Limited ("**Term Loan**"). The Term Loan is secured by pledges of shares in the Company's wholly-owned subsidiary, Loyz Oil Thailand Pte. Ltd. ("**Loyz Thailand**"), Loyz Oil's cash balances in the accounts maintained with and as designated by OCBC Bank, all earnings and other cash flow of Loyz Thailand, as well as corporate guarantees by the Company, and a shareholder of the Company, Jit Sun Investments Pte. Ltd..

The Term Loan was originally due on 31 July 2021. Loyz Oil had, on 16 August 2021, entered into a settlement agreement with OCBC Bank (“**Settlement Agreement**”) in relation to the Term Loan. Under the terms of the Settlement Agreement, Loyz Oil will make a final repayment of S\$1.5 million to OCBC Bank by 30 September 2021 (“**Completion**”). This will extinguish all payables by Loyz Oil to OBCB Bank, including the Term Loan and all related servicing costs. All collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Thailand) will also be discharged by OCBC Bank on Completion.

On 27 September 2021, the Group has made a final repayment of S\$1,500,000 to OCBC Bank. Pursuant to the terms of the Settlement Agreement, with effect from 27 September 2021 (i) all payables by the Group to OCBC Bank, including the Term Loan and all related servicing costs have been extinguished; and (ii) all collaterals relating to the Term Loan (including pledging of shares and cashflow of Loyz Oil Thailand Pte Ltd, a subsidiary corporation of the Group) have been discharged by OCBC Bank.

## 2.14 Share capital

	<b>Group and Company</b>			
	<b>31 December 2021</b>		<b>30 June 2021</b>	
	<b>Number of shares</b>	<b>US\$'000</b>	<b>Number of shares</b>	<b>US\$'000</b>
<b>Issued and fully paid ordinary shares</b>				
At beginning of interim period	6,867,914,879	146,784	5,788,906,959	142,712
Issuance of ordinary shares	700,000,000	1,396	1,079,007,920	4,090
Share issue expense	-	(15)	-	(18)
At end of interim period	<u>7,567,914,879</u>	<u>148,165</u>	<u>6,867,914,879</u>	<u>146,784</u>

### Outstanding convertibles

	<b>Number of outstanding convertibles</b>
Warrants:	
- As at 31 December 2021	487,502,256
- As at 31 December 2020	487,502,256

Save for the above, there were no other outstanding convertibles as at 31 December 2021 and 31 December 2020.

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2021, 30 June 2021 and 31 December 2020.

## 2.15 Subsequent events

- On 10 February 2022, the Company successfully completed a share placement of 925,925,925 new ordinary shares in the capital of the Company at S\$0.0027 per new share to Australia Hongshan Capital Pty Ltd, and raised aggregate gross proceeds of S\$2.5 million (equivalent to approximately US\$1.86 million based on an exchange rate of US\$1.345 : S\$1.00) (the “**Placement**”).

The Placement is undertaken by the Company to raise funds and strengthen the Group’s financial position. The Placement will improve the Group’s cash flows to meet anticipated general working capital requirements and provide capital to the Group to fund acquisition of potential assets as and when opportunities arise, as part of the Group’s strategy for long-term business growth.

For more information on the Placement, please refer to the Company’s announcements dated 6 December 2021, 21 January 2022, 9 February 2022 and 10 February 2022.

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

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

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

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

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

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The Company's current independent auditors, Messrs Nexia TS Public Accounting Corporation ("**Nexia**"), had issued a qualified opinion ("**Qualified Opinion**") on the Group's audited consolidated financial statements for the financial year ended 30 June 2021. The basis for the Qualified Opinion arose purely from a disclaimer of opinion issued by the former independent auditor of the Company on the Group's audited consolidated financial statements for the financial year ended 30 June 2020.

#### *Basis for Qualified Opinion*

#### Investments in associated companies and loan to associated companies, FIT Global Pte. Ltd. ("**FIT**") and its subsidiary corporations

During the financial year ended 30 June 2020, in view of the significant economic uncertainties brought about by the COVID-19 pandemic, the Group and the Company made full allowance for impairment against the total gross carrying amounts of the debt and equity investments in associated companies, FIT and its subsidiary corporation. Accordingly, a total impairment charge of US\$5,851,000 was recognised in profit or loss of the Group thereby bringing the net carrying amounts of the investments in associated companies and loan to associated companies of the Group and the Company to zero.

The predecessor auditor were unable to evaluate and determine whether the assessment (including any bases thereof) has been robustly and comprehensively carried out by the Group and the Company. Consequently, the predecessor auditor issued a modified opinion as they were unable to ascertain the appropriateness of the impairment amount recognised for the financial year ended 30 June 2020.

As the carrying amounts of investments in associated companies and loan to associated companies in and its subsidiary corporation as at 30 June 2020 formed part of the opening balances for the Group's and the Company's current financial year, and as Nexia was unable to carry out any alternative audit procedures to obtain sufficient and appropriate audit evidences on the opening balances, Nexia was unable to determine whether any adjustments might be necessary in respect of the consolidated statement of comprehensive income for the current financial year, and whether there will be possible effects on the comparability of current year's figures with corresponding figures.

For the financial year ended 30 June 2021, Nexia has obtained sufficient and appropriate audit evidence to determine the carrying amounts on the investments in associated companies and loan to associated companies in FIT and its subsidiary corporation.

#### **(b) Confirmation from the Board**

Based on current available information, the Board of Directors (the "**Board**") of the Company confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

### 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

After the successful settlement of the Term Loan with OCBC Bank in September 2021 and the recent completion of the share placement exercise which raised aggregate gross proceeds of S\$2.5 million in February 2022, the Group is now in a much stronger financial position. This provides a better foundation for the Group to explore new business opportunities.

#### Oil and gas business

The Organization of the Petroleum Exporting and allies led by Russia, a group known as OPEC+ which produces more than 40% of global oil supply, has faced calls from the United States, India and others to pump more oil as economies recover from the COVID-19 pandemic. However, OPEC+ has stuck to its target of monthly increases of 400,000 barrels per day (bpd) and blamed surging prices on the failure of consuming nations to ensure adequate investment in fossil fuels as they shift to greener

energy. The uncertainty on supplies coupled with recovering global demand has led to oil prices rising quite substantially over the last quarter and oil prices are expected to stay volatile going forward.

For the Group's 20%-owned Thailand onshore oil concessions in Phetchabun Basin ("**Thailand Operations**"), the drilling campaign for five new wells, which aims to increase reserves as well as oil production, is currently in progress. The joint operator for the Thailand Operations will provide an update to the Group on the results of the drilling campaign of the new wells when it is available.

#### Investment and trading-related activities

In January 2022, the Group entered into an agreement to sell its 40% stake in Preferred Mart Pte Ltd ("**Preferred Mart**"), an associate company of the Group, to an unrelated third party (the "**Proposed Disposal**") in view that its businesses have not performed to expectations<sup>1</sup>.

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

## **5. Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

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

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

No.

### **(c) Date payable**

Not applicable.

### **(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

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

No dividend has been declared or recommended for 1H FY2022 as the Group conserves its funds for working capital purposes.

## **7. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

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

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

### **Review for 1H FY2022 vs 1H FY2021**

#### Consolidated Statement of Comprehensive Income

Revenue increased by US\$0.49M or 60%, from US\$0.83M in 1H FY2021 to US\$1.32M in 1H FY2022, due to the increase in revenue from the oil and gas business segment and the investment income business segment. The increase in revenue from the oil and gas business segment was mainly due to an increase in the average oil price from US\$41.42 per barrel in 1H FY2021 to US\$73.63 per barrel in 1H FY2022. The impact of the aforementioned increase in average oil price was partially offset by a drop in the Group's share of oil production volume from the Thailand Operations of 3,049 barrels, from 20,814 barrels in 1H FY2021 to 17,765 barrels in 1H FY2022, as a result of the natural decline of the existing wells. Investment income

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<sup>1</sup> The Proposed Disposal constitutes a "non-discloseable" transaction under Chapter 10 of the Catalist Rules, and is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company and the Group for the current financial year ending 30 June 2022. The net carrying amount of the Group's investments in Preferred Mart was US\$Nil as at 30 June 2021 as the Group's share of loss from Preferred Mart exceeded the Group's investments in Preferred Mart in the financial year ended 30 June 2021.

of US\$0.05M for 1H FY2022 relates to the interest income earned from the loan extended to the Company's associate company, Preferred Mart Pte Ltd. There was no investment income recorded for 1H FY2021 as the interest income earned from the loan extended to the Company's associate company, FIT, had been fully impaired in the audited consolidated financial statements for the financial year ended 30 June 2020 ("FY2020"), as a result of a one-off full impairment of the loan by the Group and the Company in FY2020.

Cost of sales, relating to the cost of oil and gas sold, increased by US\$0.03M or 3%, from US\$0.83M in 1H FY2021 to US\$0.86M in 1H FY2022, in line with the increase in revenue in 1H FY2022, partially offset by the decrease in depletion of oil and gas properties of US\$0.07M in relation to the Thailand Operations.

As a result of the higher percentage increase in revenue by 60% as compared to the percentage increase in cost of sales by 3%, gross profit increased by US\$0.47M, from a gross loss of US\$4K in 1H FY2021 to a gross profit of US\$0.46M in 1H FY2022.

Other income amounted to US\$17.7M in 1H FY2022, as compared to US\$0.09M in 1H FY2021. Other income in 1H FY2022 relates mainly to (i) a one-off gain on settlement of the Term Loan with OCBC Bank amounting to US\$17.48M (please refer to Note 2.13 under Section E to this set of condensed interim consolidated financial statements for more information); (ii) a one-off gain on recovery of the loan extended to the Company's associate company, FIT, amounting to US\$0.15M; and (iii) a net foreign exchange gain of US\$0.09M. Other income in 1H FY2021 relates mainly to (i) an increase in fair value of a quoted investment security in 1H FY2021 of US\$0.03M; and (ii) other income of US\$0.05M mainly from wage subsidy and rental rebate received by the Group, as part of the Singapore Government's effort to provide support to firms to pull through the COVID-19 pandemic situation.

Administrative expenses increased by US\$0.9M, from US\$0.6M in 1H FY2021 to US\$1.5M in 1H FY2022. This was mainly due to an increase in staff costs.

Finance costs decreased by US\$0.16M, from US\$0.25M in 1H FY2021 to US\$0.09M in 1H FY2022, mainly due to the repayment of bank loans which resulted in lesser interest costs incurred.

Other expenses decreased by US\$0.30M, from US\$0.51M in 1H FY2021 to US\$0.21M in 1H FY2022, mainly due to the decrease in legal and professional fees of US\$0.2M and the decrease in depreciation of other property, plant and equipment and right-of-use assets of US\$0.08M mainly attributable to the right-of-use assets being fully amortised and written off in 1H FY2022.

Other charges increased by US\$1.15M, from US\$0.09M in 1H FY2021 to US\$1.24M in 1H FY2022. Other charges in 1H FY2022 relates mainly to (i) provision of impairment on other receivables of US\$1.0M relating to a loan extended to an associate company (please refer to Note 2.12 under Section E to this set of condensed interim consolidated financial statements for more information); and (ii) allowance for obsolescence of drilling equipment and spare parts of US\$0.24M in relation to the Thailand Operations. Other charges in 1H FY2021 relates to allowance for obsolescence of drilling equipment and spare parts of US\$0.09M in relation to the Thailand Operations.

The income tax credit of US\$0.12M recorded in 1H FY2022 arose due to a reversal of overprovision of deferred tax relating to the Thailand Operations.

As a result of the above, the Group recorded a profit after income tax of US\$15.3M in 1H FY2022, as compared to a loss after income tax of US\$1.3M in 1H FY2021.

#### Consolidated Statement of Financial Position

The Group's non-current assets decreased by US\$1.4M, from US\$71.7M as at 30 June 2021 to US\$70.3M as at 31 December 2021, mainly attributable to (i) the decrease in exploration, evaluation and development assets by US\$1.5M mainly due to reclassification to oil and gas properties in 1H FY2022; and (ii) the decrease in other receivables of US\$1.8M due to reclassification of the amount due from an associated company to current assets as the management deems such amount to be recoverable within the next 12 months from 31 December 2021. The above aforesaid decreases were partially offset by the increase in oil and gas properties of US\$1.8M due to the reclassification of exploration, evaluation and development assets and additions of oil and gas properties.

The Group's current assets increased by US\$1.39M, from US\$3.24M as at 30 June 2021 to US\$4.63M as at 31 December 2021. The increase was mainly attributable to (i) the increase in cash and cash equivalents of US\$0.16M (please refer to the explanation of cash and cash equivalents under consolidated statement of cash flows below); and (ii) the increase in trade and other receivables of US\$1.36M, mainly due to the reclassification of the amount due from an associated company from non-current assets (as explained above). The increase was partially offset by the decrease in inventories of US\$0.09M due to the provision for obsolescence of drilling equipment and spare parts in relation to the Thailand Operations.

The Group's non-current liabilities decreased by US\$0.06M, from US\$35.62M as at 30 June 2021 to US\$35.56M as at 31 December 2021. This was mainly due to the decrease in deferred tax liabilities in relation to the Thailand Operations.

The Group's current liabilities decreased by US\$16.6M, from US\$20.2M as at 30 June 2021 to US\$3.4M as at 31 December 2021. This was mainly due to the settlement of bank borrowings with OCBC Bank amounting to US\$17.8M. Please refer to Note 2.13 under Section E to this set of condensed interim consolidated financial statements for more information. This was partially offset by the increase in trade and other payables amounting to US\$0.9M.

The Group reported a positive working capital position of US\$1.3M as at 31 December 2021, as compared to a negative working capital position of US\$17.0M as at 30 June 2021.

#### Consolidated Statement of Cash Flows

The Group generated net cash of US\$1.0M for its operating activities in 1H FY2022, as compared to net cash generated from operating activities of US\$8K from its operating activities for 1H FY2021. The Group recorded operating cash outflows before working capital changes of US\$0.7M. The main movements of the cash flows from operating activities comprised (i) the decrease in trade and other receivables of US\$0.015M; (ii) the decrease in other assets and inventories of US\$0.01M and

US\$0.03M respectively; (iii) the decrease in prepayments of US\$0.03M; and (v) the increase in trade and other payables of US\$1.7M. In addition, income tax amounting to US\$0.02M was paid in 1H FY2022.

The Group used net cash of US\$1.3M for its investing activities in 1H FY2022 mainly due to (i) the additions to oil and gas properties of US\$0.7M as a result of the evaluation work performed in relation to the Thailand Operations; (ii) addition of other property, plant and equipment of US\$0.09M; and (iii) loan to associate of US\$0.5M.

The Group generated net cash of US\$0.45M from its financing activities in 1H FY2021. This was mainly due to (i) the issuance of new ordinary shares amounting to US\$1.38M; and (ii) capital reserve in relation to partial placement funds received by the Company in advance pursuant to the Company's placement exercised announced on 6 December 2021, partially offset by the repayment of bank borrowings of US\$1.11M and interest paid on bank borrowings of US\$0.02M.

As a result of the above, and taking into account foreign currency translation adjustments, cash and cash equivalents increased by US\$0.26M from US\$0.82M as at 1 July 2021 to US\$1.08M as at 31 December 2021.

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

- (a) FIT, a 40%-owned associate company of the Group, has been placed under voluntary liquidation (the "Liquidation") with effect from 13 August 2021.

The Group and the Company had made full allowance for impairment against the total gross carrying amounts of the debt and equity investments in FIT group in FY2020 on account of the significant economic uncertainties brought about by the COVID-19 pandemic. The Liquidation is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company and the Group for the current financial year ending 30 June 2022 ("FY2022"). For more information, please refer to the Company's announcement dated 14 August 2021.

- (b) The Company's dormant and wholly-owned subsidiary, J&D Capital Limited, has been deregistered from the Companies Registry of Hong Kong pursuant to Section 751 of the Companies Ordinance, Chapter 662 of the Laws of Hong Kong ("Deregistration") with effect from 3 September 2021.

The Company had fully impaired its investment in J&D Capital Limited in the financial year ended 30 June 2021. The Deregistration is not expected to have any material impact on the earnings per share and net tangible assets per share of the Company and the Group for FY2022. For more information, please refer to the Company's announcement dated 17 September 2021.

Save for the above, the Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period.

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

The expenditure incurred for mining and exploration activities in the second quarter from 1 October 2021 to 31 December 2021 ("2Q2022") is as follows:

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

The projected expenditure for mining and exploration activities in the third quarter from 1 January 2022 to 31 March 2022 ("3Q2022") is as follows:

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

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

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

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

The Group has a 20% stake in the Thailand onshore oil concessions located in Phetchabun Basin (the "Concessions"). The joint operators of the Concessions have started a new drilling campaign in December 2021 for five new wells (aims to increase oil reserves and raise oil production volume), which is expected to complete by 3Q2022, barring unforeseen circumstances and subject to the then situation of the COVID-19 pandemic in Thailand.

This drilling campaign is expected to be fully funded by the positive cash flow generated from the sale of oil drawn from the existing producing wells and bank facilities available to the Concessions.

As the operations at the Concessions are self-funded, the Group did not and does not expect to incur any expenditure for exploration, development and production activities for 2Q2022 and 3Q2022, respectively.

Save as disclosed above, the Group does not have any exploration, development and/or production activities for 2Q2022 and is not expected to incur any expenditure for such activities for 3Q2022.

## 12. Use of Proceeds

### Use of Proceeds from Placement

On 22 September 2021, the Company completed a placement of aggregate of 700,000,000 new ordinary shares at an issue price of S\$0.0027 per new share in the capital of the Company (the "Placement"). Pursuant to the Placement, the Company raised net proceeds amounting to approximately S\$1,865,000 (after deducting all expenses in connection with the Placement as set out in the Company's announcement dated 14 September 2021) (the "Net Proceeds").

The following is a summary of the Net Proceeds and the utilisation thereof:

Use of Net Proceeds	Allocation of Net Proceeds (S\$'000)	Amount utilised as at 27 September 2021 (S\$'000)	Amount utilised from 28 September 2021 to 31 December 2021 (S\$'000)	Balance of Net Proceeds as at 31 December 2021 (S\$'000)
- Funding of the Group's Investment and Trading Business Segment	280 to 560 (15% to 30% of Net Proceeds)	230	324	-
- General Working Capital of the Group	1,305 to 1,585 (70% to 85% of Net Proceeds)	1,311*	-	-
<b>Total</b>	<b>1,865</b>	<b>1,541</b>	<b>324</b>	<b>-</b>

\*The Net Proceeds utilised for general working capital of the Group is entirely for the settlement of the Term Loan with OCBC Bank. Please refer to the Company's announcement released on 27 September 2021 in relation to the update on the settlement agreement in respect of credit facilities with a bank, for further details.

The Company had fully utilised the Net Proceeds as at 31 December 2021 as set out in the table above. The use of the Net Proceeds is in accordance with the intended use and percentage allocated as stated in the Company's announcement dated 14 September 2021.

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

On behalf of the Board, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the six months ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board

Pang Kee Chai, Jeffrey  
Executive Director and Chief Executive Officer

Lee Chye Cheng, Adrian  
Non-Executive Non-Independent Director and Chairman

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

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

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey  
Executive Director and Chief Executive Officer  
14 February 2022