



**AP OIL INTERNATIONAL LIMITED**

(Incorporated in the Republic of Singapore)

(Registration No.: 197502257M)

**Condensed Interim Consolidated Financial Statements**

**For the six months ended 30 June 2021**

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# A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   |      | Group                                    |  |             |
|---|------|--|--|-------------|
|   | Note | 6 months ended<br>30 Jun 2021<br>S\$'000 | 6 months ended<br>30 Jun 2020<br>S\$'000 | Change<br>% |
| <b>Revenue</b>  |      | <b>27,650</b>                            | <b>28,032</b>                            | -1%         |
| Cost of sales   | 1, 3 | (22,030)                                 | (23,728)                                 | -7%         |
| <b>Gross profit</b>   |      | <b>5,620</b>                             | <b>4,304</b>                             | 31%         |
| Interest income   |      | 64                                       | 232                                      | -72%        |
| Other gains   | 2    | 502                                      | 900                                      | -44%        |
| Distribution costs  | 3    | (923)                                    | (1,030)                                  | -10%        |
| Administrative expenses   | 1, 3 | (3,213)                                  | (3,014)                                  | 7%          |
| Finance costs   | 4    | (118)                                    | (53)                                     | 123%        |
| Other losses  | 5    | (32)                                     | (87)                                     | -63%        |
| Share of results of equity-accounted joint ventures   |      | 51                                       | 138                                      | -63%        |
| <b>Profit before tax from continuing operations</b>   |      | <b>1,951</b>                             | <b>1,390</b>                             | 40%         |
| Income tax expense  | 6    | (254)                                    | (57)                                     | 346%        |
| <b>Profit net of tax</b>  |      | <b>1,697</b>                             | <b>1,333</b>                             | 27%         |
| <b>Other comprehensive income</b>   |      |  |  |             |
| <b>Items that may be reclassified subsequently to profit or loss</b>                        |      |  |  |             |
| Exchange differences on translation from functional currency to presentation currency       | 7    | 695                                      | 1,674                                    | -58%        |
| Share of other comprehensive (loss)/income from equity-accounted joint ventures, net of tax |      | (37)                                     | 68                                       | -154%       |
| <b>Other comprehensive income for the period, net of tax</b>                                |      | <b>658</b>                               | <b>1,742</b>                             | -62%        |
| <b>Total comprehensive income for the period</b>  |      | <b>2,355</b>                             | <b>3,075</b>                             | -23%        |
| Profit attributable to owners of the Company, net of tax                                    |      | 1,697                                    | 1,333                                    | 27%         |
| <b>Profit net of tax</b>  |      | <b>1,697</b>                             | <b>1,333</b>                             | 27%         |
| Total comprehensive income attributable to owners of the Company                            |      | 2,355                                    | 3,075                                    | -23%        |
| <b>Total comprehensive income for the period</b>  |      | <b>2,355</b>                             | <b>3,075</b>                             | -23%        |
| <b>Earnings per share</b>   |      |  |  |             |
|   |      | <b>Singapore Cents</b>                   | <b>Singapore Cents</b>                   |             |
| Basic and diluted   |      | 1.03                                     | 0.81                                     | 27%         |

## Notes to the Condensed Interim Consolidated Statement of Comprehensive Income

|  | 6 months<br>ended<br>30 Jun 2021<br>S\$'000 | 6 months<br>ended<br>30 Jun 2020<br>S\$'000 |
|--|---|---|
| <b>1. Depreciation</b>   |   |   |
| Total depreciation expenses charged are as follows:                                      |   |   |
| Cost of sales <sup>(#1)</sup>  | (535)                                       | (534)                                       |
| Administrative expenses <sup>(#2)</sup>  | (310)                                       | (308)                                       |
|  | <u>(845)</u>                                | <u>(842)</u>                                |
| (#1) Included depreciation of right-of-use assets of S\$157,000 (June 2020: S\$174,000). |   |   |
| (#2) Included depreciation of right-of-use assets of S\$46,000 (June 2020: S\$47,000).   |   |   |
| <b>2. Other gains</b>  |   |   |
| Interest income from insurance policy  | 21  | 21  |
| Foreign exchange adjustments gains   | 132   | 269   |
| Gain on disposal of plant and equipment  | 96  | 4   |
| Government grants  | 244   | 562   |
| Other income   | 9   | 44  |
|  | <u>502</u>                                  | <u>900</u>                                  |
| <b>3. Employee benefits expense</b>  |   |   |
| Total employee benefits expense charged are as follows:                                  |   |   |
| Cost of sales  | (909)                                       | (872)                                       |
| Distribution costs   | (489)                                       | (593)                                       |
| Administrative expenses  | (2,016)                                     | (1,889)                                     |
|  | <u>(3,414)</u>                              | <u>(3,354)</u>                              |
| <b>4. Finance costs</b>  |   |   |
| Interest expense   | (118)                                       | (53)  |
|  | <u>(118)</u>                                | <u>(53)</u>                                 |
| <b>5. Other losses</b>   |   |   |
| Allowance for impairment on trade receivables  | (32)  | (83)  |
| Plant and equipment written-off  | -   | (1)   |
| Other expenses   | -   | (3)   |
|  | <u>(32)</u>                                 | <u>(87)</u>                                 |

|                             | Group                                       |   |
|-----------------------------|---|---|
|                             | 6 months<br>ended<br>30 Jun 2021<br>S\$'000 | 6 months<br>ended<br>30 Jun 2020<br>S\$'000 |
| <b>6. Taxation</b>          |   |   |
| Current income tax expense  | (150)                                       | (57)  |
| Deferred income tax expense | (104)                                       | -   |
|                             | <u>(254)</u>                                | <u>(57)</u>                                 |

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Deferred tax expense relates to origination and reversal of temporary differences.

**7. Exchange differences**

Exchange differences arose mainly from the translation of assets and liabilities in the Group with US dollar functional currency to the presentation currency (i.e. Singapore Dollar) at the exchange rate at the end of the financial period.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

|   |      | Group                  |                        |        | Company                |                        |        |
|---|------|------------------------|------------------------|--------|------------------------|------------------------|--------|
|   | Note | 30 Jun 2021            | 31 Dec 2020            | %      | 30 Jun 2021            | 31 Dec 2020            | %      |
|   |      | S\$'000                | S\$'000                | Change | S\$'000                | S\$'000                | Change |
| <b>Non-current assets</b>                           |      |                        |                        |        |                        |                        |        |
| Property, plant and equipment                       | 1    | 13,002                 | 12,571                 | 3%     | 547                    | 326                    | 68%    |
| Right-of-use assets                                 |      | 5,343                  | 5,526                  | -3%    | 1,291                  | 1,304                  | -1%    |
| Goodwill  | 2    | 409                    | 409                    | N.M.   | -                      | -                      | N.M.   |
| Investments in subsidiaries                         |      | -                      | -                      | N.M.   | 17,808                 | 17,533                 | 2%     |
| Investments in joint ventures                       |      | 2,610                  | 2,570                  | 2%     | 514                    | 506                    | 2%     |
| Deferred tax assets                                 |      | 32                     | 3                      | N.M.   | -                      | -                      | N.M.   |
| Other financial assets                              | 3    | 5,837                  | 5,730                  | 2%     | 5,837                  | 5,730                  | 2%     |
| Other assets  |      | 139                    | 197                    | -29%   | -                      | -                      | N.M.   |
| Total non-current assets                            |      | 27,372                 | 27,006                 | 1%     | 25,997                 | 25,399                 | 2%     |
| <b>Current assets</b>                               |      |                        |                        |        |                        |                        |        |
| Inventories   |      | 12,989                 | 8,244                  | 58%    | -                      | -                      | N.M.   |
| Trade and other receivables                         |      | 4,599                  | 4,980                  | -8%    | 14,041                 | 8,689                  | 62%    |
| Other assets  |      | 667                    | 488                    | 37%    | 15                     | 19                     | -21%   |
| Cash and cash equivalents                           |      | 34,190                 | 35,735                 | -4%    | 4,073                  | 8,200                  | -50%   |
| Total current assets                                |      | 52,445                 | 49,447                 | 6%     | 18,129                 | 16,908                 | 7%     |
| Total assets  |      | 79,817                 | 76,453                 | 4%     | 44,126                 | 42,307                 | 4%     |
| <b>Equity and liabilities</b>                       |      |                        |                        |        |                        |                        |        |
| <b>Equity attributable to owners of the Company</b> |      |                        |                        |        |                        |                        |        |
| Share capital                                       |      | 6,606                  | 6,606                  | N.M.   | 6,606                  | 6,606                  | N.M.   |
| Retained earnings                                   |      | 47,379                 | 46,505                 | 2%     | 35,450                 | 34,185                 | 4%     |
| Other reserves                                      |      | 3,897                  | 3,239                  | 20%    | (1,148)                | (1,767)                | -35%   |
| Total equity  |      | 57,882                 | 56,350                 | 3%     | 40,908                 | 39,024                 | 5%     |
| <b>Non-current liabilities</b>                      |      |                        |                        |        |                        |                        |        |
| Deferred tax liabilities                            |      | 720                    | 580                    | 24%    | -                      | -                      | N.M.   |
| Loans and borrowings                                | 4    | 4,767                  | 5,320                  | -10%   | -                      | -                      | N.M.   |
| Lease liabilities                                   |      | 5,171                  | 5,328                  | -3%    | 1,299                  | 1,325                  | -2%    |
| Total non-current liabilities                       |      | 10,658                 | 11,228                 | -5%    | 1,299                  | 1,325                  | -2%    |
| <b>Current liabilities</b>                          |      |                        |                        |        |                        |                        |        |
| Income tax payable                                  |      | 277                    | 274                    | 1%     | -                      | -                      | N.M.   |
| Loans and borrowings                                | 4    | 1,105                  | 879                    | 26%    | -                      | -                      | N.M.   |
| Lease liabilities                                   |      | 339                    | 358                    | -5%    | 52                     | 52                     | 0%     |
| Trade and other payables                            |      | 9,556                  | 7,364                  | 30%    | 1,867                  | 1,906                  | -2%    |
| Total current liabilities                           |      | 11,277                 | 8,875                  | 27%    | 1,919                  | 1,958                  | -2%    |
| Total liabilities                                   |      | 21,935                 | 20,103                 | 9%     | 3,218                  | 3,283                  | -2%    |
| Total equity and liabilities                        |      | 79,817                 | 76,453                 | 4%     | 44,126                 | 42,307                 | 4%     |
|   |      | <b>Singapore Cents</b> | <b>Singapore Cents</b> |        | <b>Singapore Cents</b> | <b>Singapore Cents</b> |        |
| <b>Net asset value per share</b>                    |      | 35.18                  | 34.25                  | 3%     | 24.86                  | 23.72                  | 5%     |

Note:

N.M. : Not meaningful

## Notes to the Condensed Interim Statements of Financial Position

### 1. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$901,000 (30 June 2020: S\$647,000).

### 2. Goodwill

|                                  | Group                  |                        |
|----------------------------------|------------------------|------------------------|
|                                  | 30 Jun 2021<br>S\$'000 | 31 Dec 2020<br>S\$'000 |
| At beginning and end of the year | 409                    | 409                    |

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

### 3. Other financial assets

|  | Group                  |                        |
|--|------------------------|------------------------|
|  | 30 Jun 2021<br>S\$'000 | 31 Dec 2020<br>S\$'000 |
| At amortised cost:                                 |                        |                        |
| - Key man life insurance policy                    | 938                    | 907                    |
| At fair value through profit or loss:              |                        |                        |
| - Investment in equity interest of unquoted entity | 4,899                  | 4,823                  |
|  | 5,837                  | 5,730                  |

The fair value of the investment in equity interest of unquoted entity has been determined based on adjusted net asset approach and is categorised within Level 3 of the fair value hierarchy.

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

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

#### 4. Loans and borrowings

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

| 30 Jun 2021 |           | 31 Dec 2020 |           |
|-------------|-----------|-------------|-----------|
| Secured     | Unsecured | Secured     | Unsecured |
| 1,105       | -         | 879         | -         |

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

| 30 Jun 2021 |           | 31 Dec 2020 |           |
|-------------|-----------|-------------|-----------|
| Secured     | Unsecured | Secured     | Unsecured |
| 4,767       | -         | 5,320       | -         |

##### Details of any collaterals

Secured borrowing of S\$5,872,000 as at 30 June 2021 (S\$6,199,000 as at 31 December 2020) relate to a bank loan secured by a mortgage of the leasehold property located at 18 Pioneer Sector 1, Jurong, Singapore 628428.



## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

|  | Attributable to owners of the company |                              |                           |                  |
|--|---------------------------------------|------------------------------|---------------------------|------------------|
|  | Share capital<br>S\$'000              | Retained earnings<br>S\$'000 | Other reserves<br>S\$'000 | Total<br>S\$'000 |
| <b>Group</b>                                     |                                       |                              |                           |                  |
| <b>Current period</b>                            |                                       |                              |                           |                  |
| Opening balance at 1 Jan 2021                    | 6,606                                 | 46,505                       | 3,239                     | 56,350           |
| <b>Changes in equity</b>                         |                                       |                              |                           |                  |
| Total comprehensive income for the period        | -                                     | 1,697                        | 658                       | 2,355            |
| Dividend paid                                    | -                                     | (823)                        | -                         | (823)            |
| Closing balance at 30 Jun 2021                   | 6,606                                 | 47,379                       | 3,897                     | 57,882           |
| <b>Previous period</b>                           |                                       |                              |                           |                  |
| Opening balance at 1 Jan 2020                    | 6,606                                 | 45,586                       | 3,872                     | 56,064           |
| <b>Changes in equity</b>                         |                                       |                              |                           |                  |
| Total comprehensive income for the period        | -                                     | 1,333                        | 1,742                     | 3,075            |
| Dividend payable                                 | -                                     | (1,234)                      | -                         | (1,234)          |
| Closing balance at 30 Jun 2020                   | 6,606                                 | 45,685                       | 5,614                     | 57,905           |
| <b>Company</b>                                   |                                       |                              |                           |                  |
| <b>Current period:</b>                           |                                       |                              |                           |                  |
| Opening balance at 1 Jan 2021                    | 6,606                                 | 34,185                       | (1,767)                   | 39,024           |
| <b>Changes in equity</b>                         |                                       |                              |                           |                  |
| Total comprehensive income for the period        | -                                     | 2,088                        | 619                       | 2,707            |
| Dividend paid                                    | -                                     | (823)                        | -                         | (823)            |
| Closing balance at 30 Jun 2021                   | 6,606                                 | 35,450                       | (1,148)                   | 40,908           |
| <b>Previous period</b>                           |                                       |                              |                           |                  |
| Opening balance at 1 Jan 2020                    | 6,606                                 | 34,410                       | (1,079)                   | 39,937           |
| <b>Changes in equity</b>                         |                                       |                              |                           |                  |
| Total comprehensive (loss)/income for the period | -                                     | (151)                        | 1,543                     | 1,392            |
| Dividend payable                                 | -                                     | (1,234)                      | -                         | (1,234)          |
| Closing balance at 30 Jun 2020                   | 6,606                                 | 33,025                       | 464                       | 40,095           |

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Group                                       |   |
|---|---|---|
|   | 6 months<br>ended<br>30 Jun 2021<br>S\$'000 | 6 months<br>ended<br>30 Jun 2020<br>S\$'000 |
| <b><u>Cash flows from operating activities</u></b>                        |   |   |
| Profit before tax   | 1,951                                       | 1,390                                       |
| Adjustments for:  |   |   |
| Interest income   | (64)  | (232)                                       |
| Interest expense  | 118   | 53  |
| Interest income from insurance policy                                     | (21)  | (21)  |
| Insurance premium charged to profit or loss                               | 3   | 4   |
| Depreciation of property, plant and equipment                             | 642   | 621   |
| Depreciation of right-of-use assets                                       | 203   | 221   |
| Share of results of equity-accounted joint ventures, net of tax           | (51)  | (138)                                       |
| Plant and equipment written off   | -   | (1)   |
| Gain on disposal of plant and equipment                                   | (96)  | (4)   |
| Operating cash flows before changes in working capital                    | 2,685                                       | 1,893                                       |
| Inventories   | (4,616)                                     | 907   |
| Trade and other receivables   | 459   | 535   |
| Other assets  | (171)                                       | (95)  |
| Trade and other payables  | 2,076                                       | (2,840)                                     |
| Net cash flows from operations  | 433   | 400   |
| Income tax paid   | (146)                                       | (48)  |
| Net cash flows generated from operating activities                        | 287   | 352   |
| <b><u>Cash flows from investing activities</u></b>                        |   |   |
| Purchase of plant and equipment   | (901)                                       | (647)                                       |
| Proceeds from disposal of plant and equipment                             | 97  | 7   |
| Refund of prepayment for purchase of land                                 | 58  | 237   |
| Interest received   | 64  | 232   |
| Net cash flows used in investing activities                               | (682)                                       | (171)                                       |
| <b><u>Cash flows from financing activities</u></b>                        |   |   |
| Dividend paid   | (823)                                       | -   |
| Proceeds from loan and borrowing  | -   | 133   |
| Repayment of bank borrowings  | (420)                                       | (81)  |
| Repayment of lease liabilities  | (177)                                       | (200)                                       |
| Interest paid   | (118)                                       | (53)  |
| Net cash flows used in financing activities                               | (1,538)                                     | (201)                                       |
| <b>Net decrease in cash and cash equivalents</b>                          | <b>(1,933)</b>                              | <b>(20)</b>                                 |
| Cash and cash equivalents, statement of cash flows, beginning balance     | 35,735                                      | 33,621                                      |
| Net effect of exchange rate changes on cash and cash equivalents          | 388   | 740   |
| <b>Cash and cash equivalents, statement of cash flows, ending balance</b> | <b>34,190</b>                               | <b>34,341</b>                               |

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate information**

AP Oil International Limited is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The Company is an investment holding company.

The principal activities of the Group are in:

- (a) Manufacturing of a range of lubricating oil and specialty chemicals for industrial, automotive and marine applications, as well as the provision of oil blending services and rental of cleaning equipment to its customers;
- (b) Trading of base oil, lubricant components, commodity chemicals etc.; and
- (c) Franchising in the sale of raw materials for products under the "SIN-O" brand name for lubricants.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2021 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 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The condensed interim financial statements are presented in Singapore dollar as the Condensed Interim Financial Statements are meant primarily for users in Singapore. The amounts are rounded to nearest thousand, unless otherwise stated.

#### **2.1. New and amended accounting standards adopted by the Group**

A number of amendments to accounting standards have become applicable for the current reporting period. Those applicable new or revised standards do not require any significant modification or the presentation in the financial statements.

## **2.2. Use of judgements and estimates**

In preparing the condensed 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 were applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period six months ended 30 June 2021.

## **4. Segment and revenue information**

The Group is organised into the following three major operating segments that offer different products and services:

- (a) Manufacturing segments include the manufacturing of a range of lubricating oil and specialty chemicals for industrial, automotive and marine applications, as well as the provision of oil blending services and rental of cleaning equipment to its customers;
- (b) Trading segment includes trades in base oil, lubricant components, commodity chemicals etc.; and
- (c) Franchising segment includes sale of raw materials to franchisees for lubricants under the "SIN-O" brand name.

## 4.1. Reportable segments

|   | Manufacturing<br>6 months ended |             | Trading<br>6 months ended |             | Franchising*<br>6 months ended |             | Unallocated<br>6 months ended |             | Group<br>6 months ended |             |
|---|---------------------------------|-------------|---------------------------|-------------|--------------------------------|-------------|-------------------------------|-------------|-------------------------|-------------|
|   | 30 Jun 2021                     | 30 Jun 2020 | 30 Jun 2021               | 30 Jun 2020 | 30 Jun 2021                    | 30 Jun 2020 | 30 Jun 2021                   | 30 Jun 2020 | 30 Jun 2021             | 30 Jun 2020 |
|   | S\$'000                         | S\$'000     | S\$'000                   | S\$'000     | S\$'000                        | S\$'000     | S\$'000                       | S\$'000     | S\$'000                 | S\$'000     |
| <b>Continuing operations</b>                    |                                 |             |                           |             |                                |             |                               |             |                         |             |
| <b>Revenue by segment</b>                       |                                 |             |                           |             |                                |             |                               |             |                         |             |
| Total revenue by segment                        | 14,645                          | 19,454      | 12,260                    | 8,268       | 1,587                          | 1,108       | -                             | -           | 28,492                  | 28,830      |
| Inter-segment sales                             | (292)                           | (260)       | (550)                     | (538)       | -                              | -           | -                             | -           | (842)                   | (798)       |
| External revenue                                | 14,353                          | 19,194      | 11,710                    | 7,730       | 1,587                          | 1,108       | -                             | -           | 27,650                  | 28,032      |
| Gross profit                                    | 3,303                           | 3,643       | 2,073                     | 471         | 244                            | 190         | -                             | -           | 5,620                   | 4,304       |
| Interest income                                 |                                 |             |                           |             |                                |             | 64                            | 232         | 64                      | 232         |
| Other gains                                     |                                 |             |                           |             |                                |             | 502                           | 900         | 502                     | 900         |
| Finance costs                                   |                                 |             |                           |             |                                |             | (118)                         | (53)        | (118)                   | (53)        |
| Other losses                                    |                                 |             |                           |             |                                |             | (32)                          | (87)        | (32)                    | (87)        |
| Unallocated expense                             |                                 |             |                           |             |                                |             | (4,136)                       | (4,044)     | (4,136)                 | (4,044)     |
| Share of results of joint ventures              |                                 |             |                           |             |                                |             | 51                            | 138         | 51                      | 138         |
| Profit before tax                               |                                 |             |                           |             |                                |             |                               |             | 1,951                   | 1,390       |
| Income tax expense                              |                                 |             |                           |             |                                |             | (254)                         | (57)        | (254)                   | (57)        |
| Profit from continuing operations               |                                 |             |                           |             |                                |             |                               |             | 1,697                   | 1,333       |
| <b>Assets and reconciliations</b>               |                                 |             |                           |             |                                |             |                               |             |                         |             |
| Total assets for reportable segments            | 20,492                          | 22,261      | 7,921                     | 4,333       | 1,619                          | 974         | 49,785                        | 48,401      | 79,817                  | 75,969      |
| <b>Liabilities and reconciliations</b>          |                                 |             |                           |             |                                |             |                               |             |                         |             |
| Total liabilities for reportable segments       | 5,100                           | 4,237       | 3,424                     | 1,625       | 528                            | 194         | 12,883                        | 12,008      | 21,935                  | 18,064      |
| <b>Other material items and reconciliations</b> |                                 |             |                           |             |                                |             |                               |             |                         |             |
| Depreciation expense                            | 143                             | 135         | 164                       | 189         | -                              | -           | 538                           | 518         | 845                     | 842         |
| Capital expenditure                             | 274                             | 516         | 150                       | 97          | -                              | -           | 477                           | 34          | 901                     | 647         |

\* The franchising segment includes sale of raw materials to franchisees for lubricants under the "SIN-O" brand name.

## 4.2. Disaggregation of revenue

|                                      | Manufacturing<br>6 months ended |             | Trading<br>6 months ended |             | Franchising*<br>6 months ended |             | Group<br>6 months ended |             |
|--------------------------------------|---------------------------------|-------------|---------------------------|-------------|--------------------------------|-------------|-------------------------|-------------|
|                                      | 30 Jun 2021                     | 30 Jun 2020 | 30 Jun 2021               | 30 Jun 2020 | 30 Jun 2021                    | 30 Jun 2020 | 30 Jun 2021             | 30 Jun 2020 |
|                                      | S\$'000                         | S\$'000     | S\$'000                   | S\$'000     | S\$'000                        | S\$'000     | S\$'000                 | S\$'000     |
| <b>Type of goods or services</b>     |                                 |             |                           |             |                                |             |                         |             |
| Sale of goods                        | 12,921                          | 17,840      | 11,701                    | 7,723       | 1,587                          | 1,108       | 26,209                  | 26,671      |
| Rendering of services                | 672                             | 651         | 9                         | 7           | -                              | -           | 681                     | 658         |
| Rental revenue                       | 760                             | 703         | -                         | -           | -                              | -           | 760                     | 703         |
| Total revenue                        | 14,353                          | 19,194      | 11,710                    | 7,730       | 1,587                          | 1,108       | 27,650                  | 28,032      |
| <b>Duration of contracts</b>         |                                 |             |                           |             |                                |             |                         |             |
| Short-term contracts                 | 14,353                          | 19,194      | 11,710                    | 7,730       | 1,587                          | 1,108       | 27,650                  | 28,032      |
| Total revenue                        | 14,353                          | 19,194      | 11,710                    | 7,730       | 1,587                          | 1,108       | 27,650                  | 28,032      |
| <b>Timing of revenue recognition</b> |                                 |             |                           |             |                                |             |                         |             |
| Point in time                        | 13,593                          | 18,491      | 11,710                    | 7,730       | 1,587                          | 1,108       | 26,890                  | 27,329      |
| Over time                            | 760                             | 703         | -                         | -           | -                              | -           | 760                     | 703         |
| Total revenue                        | 14,353                          | 19,194      | 11,710                    | 7,730       | 1,587                          | 1,108       | 27,650                  | 28,032      |

\* The franchising segment includes sale of raw materials to franchisees for lubricants under the "SIN-O" brand name.

### 4.3. Geographical information

| Countries       | Manufacturing  |             | Trading        |             | Franchising*   |             | Group          |             |
|-----------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
|                 | 6 months ended |             | 6 months ended |             | 6 months ended |             | 6 months ended |             |
|                 | 30 Jun 2021    | 30 Jun 2020 | 30 Jun 2021    | 30 Jun 2020 | 30 Jun 2021    | 30 Jun 2020 | 30 Jun 2021    | 30 Jun 2020 |
|                 | S\$'000        | S\$'000     | S\$'000        | S\$'000     | S\$'000        | S\$'000     | S\$'000        | S\$'000     |
| Singapore       | 10,938         | 13,882      | 6,967          | 3,838       | -              | -           | 17,905         | 17,720      |
| Malaysia        | 133            | 41          | 1,007          | 253         | -              | -           | 1,140          | 294         |
| Sri Lanka       | -              | -           | 1,121          | 657         | -              | -           | 1,121          | 657         |
| Indonesia       | 989            | 1,251       | -              | -           | -              | -           | 989            | 1,251       |
| Bangladesh      | -              | -           | 32             | -           | 930            | 533         | 962            | 533         |
| China           | 50             | 50          | 859            | 694         | -              | -           | 909            | 744         |
| Australia       | 54             | -           | 843            | -           | -              | -           | 897            | -           |
| UAE             | 132            | 1,436       | 714            | 1,416       | -              | -           | 846            | 2,852       |
| Vietnam         | 15             | 27          | -              | -           | 657            | 575         | 672            | 602         |
| Russia          | 469            | 218         | -              | -           | -              | -           | 469            | 218         |
| Myanmar         | 241            | 1,219       | 2              | -           | -              | -           | 243            | 1,219       |
| Philippines     | 198            | 124         | 33             | 584         | -              | -           | 231            | 708         |
| Other countries | 1,134          | 946         | 132            | 288         | -              | -           | 1,266          | 1,234       |
| Total revenue   | 14,353         | 19,194      | 11,710         | 7,730       | 1,587          | 1,108       | 27,650         | 28,032      |

\* The franchising segment includes sale of raw materials to franchisees for lubricants under the "SIN-O" brand name.

### 4.4. Information about major customers

1 customer contributed more than 10% of the Group's total revenue (June 2020: 1 customer). In June 2021, total sales to this customer was approximately S\$3.2 million (June 2020: approximately S\$5.4 million).

## 5. Significant related party transactions

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

|               | Group          |                |
|---------------|----------------|----------------|
|               | 6 months ended | 6 months ended |
|               | 30 Jun 2021    | 30 Jun 2020    |
|               | S\$'000        | S\$'000        |
| Joint venture |                |                |
| Sale of goods | 862            | 577            |

Related parties refer to the joint ventures of the Group, AP Saigon Petro Joint Stock Co. Ltd and AP Oil Singapore (Chongqing) Ltd.

## 6. Other notes

The notes to condensed interim consolidated statement of comprehensive income and condensed interim consolidated statements of financial position are disclosed on pages 4 to 5 and pages 7 to 8 respectively.

## 7. Subsequent events

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

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

- 1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 30 June 2021, there was no movement in the Company's share capital and no share options were issued.

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

The total number of issued shares was 164,531,172 as at 30 June 2021 and 31 December 2020.

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

Not applicable as the Company has no treasury shares.

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

Not applicable as the Company has no subsidiary holdings.

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

The figures have not been audited or reviewed.

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

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

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

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

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

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

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

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

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2021. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

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

|  | Group  |  |
|--|--|--|
|  | 6 months ended<br>30 Jun 2021<br>Singapore Cents | 6 months ended<br>30 Jun 2020<br>Singapore Cents |
| (i) Based on weighted average number of ordinary shares in issue                     | 1.03   | 0.81   |
| (ii) On a fully diluted basis of weighted average number of ordinary shares in issue | 1.03   | 0.81   |

The total earnings per ordinary share was calculated based on the weighted average number of ordinary shares in issue of 164,531,172 as at 30 June 2021 and as at 30 June 2020.

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

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

|  | 30 Jun 2021<br>Singapore Cents | 31 Dec 2020<br>Singapore Cents |
|--|--------------------------------|--------------------------------|
| Net asset value per ordinary share in issue: |                                |                                |
| Group  | 35.18                          | 34.25                          |
| Company                                      | 24.86                          | 23.72                          |

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 164,531,172 as at 30 June 2021 and as at 31 December 2020.



8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

**Statement of Comprehensive Income**

- (i) Revenue decreased by 1.4% due mainly to decrease in manufacturing revenue offset by higher trading revenue.
- (ii) Gross profit increased by 31% due mainly to increase in gross margin by 4.9% percentage points to 20.3% as a result of higher margin from trading revenue.
- (iii) Interest income decreased by 72% due to lower interest rate offered for bank fixed deposits.
- (iv) Other gains decreased by 44% due to the lower job support scheme income of S\$0.16 million compared to S\$0.5 million received in first half of 2020 and lower foreign exchange adjustment gain.
- (v) Distribution costs decreased by 10% due mainly to lower headcount compared to prior year.
- (vi) Administrative expenses increased by 7% due to increase in accruals for bonus incentive expense.
- (vii) Share of results of equity-accounted joint ventures decreased by 63% due mainly to lower contribution from the associate, AP Saigon Petro JSC.
- (viii) Profit before tax and profit net of tax increased by 40% and 27% to S\$2.0 million and S\$1.7 million respectively due mainly to the higher gross profit.
- (ix) Income tax expense increased by S\$0.2 million due to tax credit utilised in first half of 2020.
- (x) Exchange difference arose mainly from the translation of assets and liabilities in the Group with US dollar functional currency to the presentation currency (i.e., Singapore dollar) at the exchange rate at the end of the financial period. The income and expenses were translated at the average rate of exchange for the financial period.

**Statement of Financial Position**

- (i) Other assets decreased by S\$0.06 million due to partial receipts of the Vietnam Land prepayment made in prior years.
- (ii) Inventories increased by S\$4.8 million due mainly to higher raw materials purchases.
- (iii) Other assets, in current assets, increased by S\$0.2 million due to higher prepayments made for raw materials purchase.
- (iv) Deferred tax liabilities increased by S\$0.14 million due mainly to timing difference between net book value of plant and equipment and its tax written down value.
- (v) Loan and borrowings decreased by S\$0.3 million due to repayment of principal and interest of the bank loan.
- (vi) Trade and other payables increased by S\$2.2 million due mainly to higher raw materials purchases.

## **Statement of Cash Flows**

Cash flows from operating activities decreased by S\$0.06 million due to higher profit offset by higher working capital for first half of 2021 compared to last year.

Cash flows used in investing activities increased by S\$0.5 million due to higher purchase of plant and equipment offset by lower interest income and lower refund of prepayment for Vietnam Land.

Cash flows used in financing activities was S\$1.3 million higher due to dividend paid and repayment of bank borrowing.

The cash and cash equivalent of the Group was at S\$34.2 million and S\$34.3 million as at 30 June 2021 and 30 June 2020 respectively.

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

There is no significant variance from the previous disclosure of prospects statement.

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

- (i) Global commodity prices were volatile and cargo freight rates were high in the first half of 2021. We expect these conditions to persist till the end of the year.
- (ii) The Management will continue to seek out new business opportunities and deploy timely strategies amidst the COVID-19 pandemic that is expected to linger.

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

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

No.

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

Nil.

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

Nil.

- (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 5.00 pm) 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 interim dividend has been recommended pending the full year results to determine the net increase/(decrease) in cash equivalents.
- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
- The Group does not have a general mandate from shareholders for interested person transactions.
- 14. Negative confirmation pursuant to Rule 705(5).**
- Please refer to the confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual in page 20.
- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**
- The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the SGX-ST Listing Manual.

**Confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual**

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six months period ended 30 June 2021 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Ho Chee Hon**  
**Group Chief Executive Officer**  
**12 August 2021**