



## **ANNAIK LIMITED**

### Condensed Interim Financial Statements for the half year ended 30 June 2024

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# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### A CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	Note	Group		
		6 Months Ended		
		30-Jun-24	30-Jun-23	Change
		S\$'000	S\$'000	%
			(Represented)	
<b>Continuing operations</b>				
<b>Revenue</b>	4	20,931	24,963	(16.15)
Cost of sales		(14,220)	(16,844)	(15.58)
<b>Gross profit</b>		6,711	8,119	(17.34)
Other operating income		454	685 *	(33.72)
Distribution expenses		(350)	(341)	2.64
Administrative expenses		(4,071)	(4,382)	(7.10)
(Allowance)/written-back for impairment losses on financial assets		(5)	33	NM
Other operating expenses		(403)	(321)	25.55
Share of losses of associates		(169)	(73)	131.51
Finance costs		(627)	(727) *	(13.76)
<b>Profit before tax</b>	5	1,540	2,993	(48.55)
Income tax expense	6	(407)	(589)	(30.90)
<b>Profit from continuing operations</b>		1,133	2,404	(52.87)
<b>Discontinued operations</b>				
Loss from discontinuing operations	5	-	(95)	NM
<b>Profit for the financial period</b>		1,133	2,309	(50.93)
<b>Attributable to:</b>				
Owners of the Company				
Continuing operations		459	1,742	(73.65)
Discontinued operations		-	(46)	NM
		459	1,696	(72.94)
Non-controlling interests				
Continuing operations		674	662	1.81
Discontinued operations		-	(49)	NM
		674	613	9.95
		1,133	2,309	(50.93)
<b>Earnings per share (cents per share):</b>				
Basic and diluted				
Continuing operations		0.16	0.60	(73.33)
Discontinued operations		-	(0.02)	NM

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	6 Months Ended		
	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%
		(Represented)	
<b>Profit for the financial period</b>	1,133	2,309	(50.93)
<b>Other comprehensive income</b>			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Exchange differences on translation of foreign operations	182	(2,255)	NM
Other comprehensive income for the financial period, net of tax	182	(2,255)	NM
<b>Total comprehensive income for the financial period</b>	1,315	54	2,335.19
<b>Total comprehensive income attributable to:</b>			
Owners of the Company			
Continuing operations	632	80	690.00
Discontinued operations	-	(62)	NM
	632	18	3,411.11
Non-controlling interests			
Continuing operations	683	94	626.60
Discontinued operations	-	(58)	NM
	683	36	1,797.22
	1,315	54	2,335.19

(1) NM denotes not meaningful.

(2) 30 June 2023 consolidated financial statements were represented in compliance with SFRS(1) 5 Non-Current Assets Held for Sale and Discontinued Operations following the Group's decision to dispose Pioneer Group. Please refer to Note E8 for the details.

(3) \* The prior period comparatives have been reclassified for presentation purpose.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### B CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents		8,598	11,073	536	711
Trade receivables		19,194	19,218	-	-
Other receivables		2,934	1,919	-	22
Prepayments		204	189	30	6
Amount due from subsidiaries		-	-	8,158	10,293
Inventories		21,548	21,895	-	-
		52,478	54,294	8,724	11,032
Assets of disposal group classified as held for sale	8	-	3,500	-	-
Total current assets		52,478	57,794	8,724	11,032
<b>Non-current assets:</b>					
Property, plant and equipment	7	11,888	11,586	6	8
Right-of-use assets		3,813	3,965	-	-
Goodwill	9	497	497	-	-
Intangible assets	10	35,027	35,631	509	679
Investment in subsidiaries		-	-	29,848	30,048
Investment in associates		9,653	9,824	-	-
Investment securities		-	-	-	-
Club membership		190	190	190	190
Refundable deposits		434	434	-	-
Deferred tax assets		122	122	-	-
Total non-current assets		61,624	62,249	30,553	30,925
<b>Total assets</b>		<b>114,102</b>	<b>120,043</b>	<b>39,277</b>	<b>41,957</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank loans	11	6,528	4,693	255	260
Government loan	11	151	156	-	-
Leases liabilities		251	264	-	-
Bills payable	11	7,202	5,732	-	-
Trade payables		471	2,189	-	-
Other payables and accruals		3,801	6,224	292	1,138
Provision for income tax		1,525	1,271	-	-
Amount due to subsidiaries and associates		258	374	276	476
		20,187	20,903	823	1,874
Liabilities directly associated with disposal group classified as held for sale	8	-	3,143	-	-
Total current liabilities		20,187	24,046	823	1,874
<b>Non-current liabilities</b>					
Bank loans	11	9,654	11,766	132	252
Leases liabilities		2,706	2,784	-	-
Other payables and accruals		32	33	-	-
Deferred government grants		1,423	1,459	-	-
Deferred tax liabilities		1,023	1,044	-	-
Total non-current liabilities		14,838	17,086	132	252
<b>Capital, reserves and non-controlling interests</b>					
Share capital	12	38,864	38,864	38,864	38,864
Treasury shares	12	(568)	(568)	(568)	(568)
Reserves		26,237	26,471	26	1,535
Equity attributable to owners of the Company		64,533	64,767	38,322	39,831
Non-controlling interests		14,544	14,144	-	-
Total equity		79,077	78,911	38,322	39,831
<b>Total equity and liabilities</b>		<b>114,102</b>	<b>120,043</b>	<b>39,277</b>	<b>41,957</b>

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### C CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Fair Value Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>										
<b>Balance as at 1 January 2023</b>	38,864	(568)	(966)	3,277	454	-	23,449	64,510	14,516	79,026
Dividends paid	-	-	-	-	-	-	(1,154)	(1,154)	-	(1,154) *
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(877)	(877) *
Foreign currency translation	-	-	(1,678)	-	-	-	-	(1,678)	(577)	(2,255) *
Transfer of statutory reserve fund	-	-	-	(2)	-	-	2	-	-	-
Profit for the financial period	-	-	-	-	-	-	1,696	1,696	613	2,309 *
<b>Balance as at 30 June 2023</b>	<b>38,864</b>	<b>(568)</b>	<b>(2,644)</b>	<b>3,275</b>	<b>454</b>	<b>-</b>	<b>23,993</b>	<b>63,374</b>	<b>13,675</b>	<b>77,049</b>
<b>Balance as at 1 January 2024</b>	38,864	(568)	(2,733)	3,848	-	(67)	25,423	64,767	14,144	78,911
Dividends paid	-	-	-	-	-	-	(866)	(866)	-	(866)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(142)	(142)
Foreign currency translation	-	-	173	-	-	-	-	173	9	182
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(141)	(141)
Profit for the financial period	-	-	-	-	-	-	459	459	674	1,133
<b>Balance as at 30 June 2024</b>	<b>38,864</b>	<b>(568)</b>	<b>(2,560)</b>	<b>3,848</b>	<b>-</b>	<b>(67)</b>	<b>25,016</b>	<b>64,533</b>	<b>14,544</b>	<b>79,077</b>

\* The prior period comparatives have been reclassified for presentation purpose.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### C CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share Capital	Treasury Shares	Share Options Reserve	(Accumulated Losses)/ Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>					
<b>Balance as at 1 January 2023</b>	38,864	(568)	454	(2,473)	36,277
Dividends paid	-	-	-	(1,154)	(1,154)
Total comprehensive income for the financial period	-	-	-	1,056	1,056
<b>Balance as at 30 June 2023</b>	38,864	(568)	454	(2,571)	36,179
<b>Balance as at 1 January 2024</b>	38,864	(568)	-	1,535	39,831
Dividends paid	-	-	-	(866)	(866)
Total comprehensive loss for the financial period	-	-	-	(643)	(643)
<b>Balance as at 30 June 2024</b>	38,864	(568)	-	26	38,322

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		6 Months Ended	
		30-Jun-24	30-Jun-23
		S\$'000	S\$'000
<b>Cash flows from operating activities:</b>			
Profit before tax from continuing operations		1,540	2,993
Loss before tax from discontinued operations	8	-	(68)
Profit before tax		1,540	2,925
<b>Adjustments for:</b>			
Amortisation of government grants		(35)	(34)
Allowance/(written-back) for impairment losses on financial assets		5	(33)
Depreciation of property, plant and equipment		442	446
Depreciation of right-of-use assets		160	238
Amortisation of intangible assets		1,095	1,050
Allowance for slow moving inventories		122	292
Share of losses of associates		169	74
Interest income		(42)	(52) *
Finance costs		627	727 *
Unrealised foreign exchange loss/(gain), net		59	(347)
<b>Operating profit before working capital changes</b>		<b>4,142</b>	<b>5,286</b>
<b>(Increase)/decrease in:</b>			
<b>Trade receivables</b>		19	133
<b>Other receivables and prepayments</b>		(1,026)	(1,180)
<b>Inventories</b>		222	2,558
<b>Increase/(decrease) in:</b>			
<b>Trade payables</b>		(1,718)	293
<b>Other payables</b>		(2,424)	(1,521)
<b>Bills payable</b>		1,470	(945)
<b>Cash generated from operations</b>		<b>685</b>	<b>4,624</b>
Interest on lease paid		-	- *
Interest expense paid		(556)	(654) *
Interest income received		42	52 *
Income taxes paid		(144)	(775)
<b>Net cash flows generated from operating activities</b>		<b>27</b>	<b>3,247</b>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal group classified as held for sale		220	-
Purchase of property, plant and equipment		(716)	(26)
Additions to intangible assets		(500)	(1,985)
<b>Net cash flows used in investing activities</b>		<b>(996)</b>	<b>(2,011)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from loans and borrowings		3,908	2,255
Repayment of loans and borrowings		(4,180)	(3,080)
(Decrease)/increase in amount due to associates		(116)	5
Dividends paid		(866)	(1,154)
Dividends paid to non-controlling interests		(142)	(877)
Repayment of principal portion of lease liabilities		(92)	(173)
Repayment of interest on lease liabilities		(71)	(73) *
<b>Net cash flows used in financing activities</b>		<b>(1,559)</b>	<b>(3,097)</b>
Net decrease in cash and cash equivalents		(2,528)	(1,861)
Cash and cash equivalents at beginning of financial period		11,073	15,002
Effect of exchange rate changes on the balance of cash held in foreign currencies		53	(269)
<b>Cash and cash equivalents at end of financial period</b>		<b>8,598</b>	<b>12,872</b>

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

	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Cash and bank balances	8,598	12,872
	8,598	12,872

\* The prior period comparatives have been reclassified for presentation purpose.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

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

#### 1 CORPORATE INFORMATION

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

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are:

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

#### 2 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 30 June 2024 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 2023.

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

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

##### 2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

In the current financial period, the Group has adopted all the new and revised SFRS(I) that are relevant to its operations and effective for the current financial period.

The adoption of these new/revised SFRS(I)s did not result in material changes to the Group's accounting policies and has no material effect on the financial results or position of the Group and the Company.

##### 2.2 USE OF JUDGEMENTS AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

(i) Included in Note 9 - Goodwill

(ii) Provision of expected credit losses of trade receivables

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

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

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

(iii) Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. In assessing the allowance for inventories, the Group takes into account the historical obsolescence and slow-moving experiences and future demand of their product.

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

(iv) Impairment of investments in subsidiaries

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

Management has estimated the recoverable amount based on the higher of value in use and fair value less costs of disposal. The recoverable amounts of investments in subsidiaries are assessed using the higher of fair value less costs of disposal which was determined by reference to the adjusted net asset value of the subsidiaries or value in use which was determined by reference to a discounted cash flow forecast.

#### 3 SEASONAL OPERATIONS

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

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 4 SEGMENT AND REVENUE INFORMATION

The following segment information is prepared based on the nature of the principal activities of the Company and its subsidiaries. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. They are segregated primarily into three reporting segments; i.e. distribution of stainless steel piping and non-steel products; manufacturing of steel flanges and environmental business. The portion of environmental business segment contributed by Pioneer Group was disposed of during the financial year ended 31 December 2023 and presented separately as "Discontinued operations". Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

#### 4.1 BUSINESS SEGMENTS

6 Months Ended - 30 June 2024	Distribution	Manufacturing of steel flanges	Environmental business	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>						
External revenue (steel products)	12,202	-	-	-	-	12,202
External revenue	-	2,079	6,650	-	-	8,729
Inter-segment revenue	1,322	2,142	-	-	(3,464)	-
Total revenue	13,524	4,221	6,650	-	(3,464)	20,931
<b>Result</b>						
Segment results	(297)	310	2,813	-	(527)	2,299
Dividend income	220	-	1,910	-	(2,130)	-
Allowance for impairment losses on financial assets	(3)	-	(2)	-	-	(5)
Share of losses of associates	-	-	(169)	-	-	(169)
Interest income	-	-	-	-	-	42
Finance costs	-	-	-	-	-	(627)
Profit before tax	-	-	-	-	-	1,540
Income tax	-	-	-	-	-	(407)
Profit for the financial period	-	-	-	-	-	1,133
<b>Assets</b>						
Segment assets	40,038	6,941	57,470	-	-	104,449
Investment in associates	-	-	9,653	-	-	9,653
Consolidated total assets	-	-	-	-	-	114,102
<b>Liabilities</b>						
Segment liabilities	9,572	1,972	7,148	-	-	18,692
Bank loans and government loan	11,626	-	4,707	-	-	16,333
Consolidated total liabilities	-	-	-	-	-	35,025
<b>Other information</b>						
Depreciation and amortisation	621	98	978	-	-	1,697
Capital expenditure	322	706	508	-	-	1,536
Other non-cash expenses	87	118	(19)	-	-	186

  

6 Months Ended - 30 June 2023	Distribution	Manufacturing of steel flanges	Environmental business	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
			(Represented) (Note E8)			
<b>Revenue</b>						
External revenue (steel products)	15,319	-	-	-	-	15,319
External revenue	-	1,569	8,075	1,836	-	11,480
Inter-segment revenue	261	1,712	1,052	132	(3,157)	-
Total revenue	15,580	3,281	9,127	1,968	(3,157)	26,799
<b>Result</b>						
Segment results	602	210	3,208	(109)	(270)	3,641
Dividend income	2,220	-	1,809	-	(4,029)	-
Written-back for impairment losses on financial assets	28	-	5	-	-	33
Share of losses of associates	-	-	(73)	(1)	-	(74)
Interest income	-	-	-	-	-	52
Finance costs	-	-	-	-	-	(727)
Profit before tax	-	-	-	-	-	2,925
Income tax	-	-	-	-	-	(616)
Profit for the financial period	-	-	-	-	-	2,309
<b>Assets</b>						
Segment assets	45,290	5,343	56,873	3,036	-	110,542
Investment in associates	-	-	9,595	112	-	9,707
Consolidated total assets	-	-	-	-	-	120,249
<b>Liabilities</b>						
Segment liabilities	11,691	685	8,848	2,301	-	23,525
Bank loans and government loan	13,267	-	6,408	-	-	19,675
Consolidated total liabilities	-	-	-	-	-	43,200
<b>Other information</b>						
Depreciation and amortisation	636	148	942	8	-	1,734
Capital expenditure	18	6	1,987	-	-	2,011
Other non-cash expenses	82	72	(388)	-	-	(234)

\* The prior period comparatives have been reclassified for presentation purpose.



# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 4.2 DISAGGREGATION OF REVENUE

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

	Sale of goods	Service income from environmental business	Construction revenue	Discontinued operations	Total revenue
6 Months Ended - 30 June 2023	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Primary geographical markets</b>		(Represented) (Note E8)	(Represented) (Note E8)		
Singapore	11,725	-	-	895	12,620
People's Republic of China	-	6,074	2,001	760	8,835
Malaysia	3,197	-	-	-	3,197
Indonesia	1,311	-	-	-	1,311
Australia	456	-	-	-	456
New Zealand	94	-	-	-	94
Hong Kong	-	-	-	181	181
Thailand	80	-	-	-	80
Vietnam	-	-	-	-	-
Others	25	-	-	-	25
	16,888	6,074	2,001	1,836	26,799
<b>Timing of transfer of goods or services</b>					
At a point in time	16,888	6,074	-	1,076	24,038
Over time	-	-	2,001	760	2,761
	16,888	6,074	2,001	1,836	26,799

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 5 PROFIT BEFORE TAX

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

	Group	
	6 Months Ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
		(Represented) (Note E8)
<b>Continuing operations:</b>		
Amortisation of government grants	(35)	(34)
Allowance/(written-back) for impairment losses on financial assets	5	(33)
Depreciation of property, plant and equipment	442	442
Depreciation of right-of-use assets	160	234
Amortisation of intangible assets	1,095	1,050
Allowance for slow moving inventories	122	292
Share of losses of associates	169	73
Interest income	(42)	(23)
Finance costs	627	727
Unrealised foreign exchange loss/(gain), net	59	(347)
<b>Discontinued operations:</b>		
Depreciation of property, plant and equipment	-	4
Depreciation of right-of-use assets	-	4
Share of losses of associates	-	1
Interest income	-	(29)

#### 6 INCOME TAX EXPENSE

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

	Group	
	6 Months Ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<b>Consolidated income statement</b>		
<i>Current taxation:</i>		
-Current income taxation	431	680
-Overprovision in respect of prior years	(34)	-
	<b>397</b>	<b>680</b>
<i>Deferred taxation:</i>		
-Overprovision in respect of prior years	-	(182)
<i>Withholding tax expense</i>	10	91
Income tax expense attributable to continuing operations	407	589
Income tax expense attributable to discontinued operations (Note 8)	-	27
Income tax expense recognised in profit or loss	<b>407</b>	<b>616</b>

#### 7 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets amounting to S\$716,172 (30 June 2023: S\$25,866) and disposed of assets amounting to nil (30 June 2023: nil) for its continuing operations.

The Group carried out a review and determined that there is no indication of impairment loss to these assets for the current financial period.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 8 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 13 December 2023, the Company has entered into a Sale and Purchase agreement (SPA) in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd., a 51% owned subsidiary of the Company and its subsidiaries and associated companies (Pioneer Group), subject to the fulfilment of the condition precedents. The date of disposal was deemed to be on 30 September 2023 which was the date used to determine the net asset value of Pioneer Group.

Following the Group's decision to sell Pioneer Group and in compliance with SFRS(I) 5 Non-Current Assets Held for Sale and Discontinued Operations, the carrying amount of assets and liabilities of Pioneer Group were classified as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" as at 31 December 2023. Pioneer Group's financial results for the comparative financial period ending 30 June 2023 were presented separately in the consolidated income statement and statement of comprehensive income as "Loss from discontinuing operations".

On 10 May 2024, the proposed disposal of Pioneer Group was completed in accordance with the terms and conditions of the SPA and no gain/loss on disposal of Pioneer Group was resulted. Subsequently, the entities within the Pioneer Group have ceased to be subsidiaries and/or associated companies of the Company.

For comparative purpose, the results of the discontinued operations are as follows:

	Group	
	6 Months Ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
Revenue	-	1,836
Cost of sales	-	(1,498)
Gross profit	-	338
Other operating income	-	107
Distribution expenses	-	(250)
Administrative expenses	-	(259)
Other operating expenses	-	(3)
Share of loss of associate	-	(1)
Loss before tax	-	(68)
Income tax expense	-	(27)
Loss for the financial period	-	(95)

The carrying amount of assets and liabilities held for sale were S\$3,500,000 and S\$3,143,000 respectively, comprised of the following:

	Group
	31-Dec-23
	S\$'000
<b>ASSETS</b>	
Cash and cash equivalents	1,153
Trade receivables	1,278
Other receivables	894
Prepayments	7
Property, plant and equipment	21
Investment in associates	147
Assets of disposal group classified as held for sale	<b>3,500</b>
<b>LIABILITIES</b>	
Trade payables	877
Other payables and accruals	2,163
Provision for income tax	103
Liabilities directly associated with disposal group classified as held for sale	<b>3,143</b>

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 9 GOODWILL

Goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from that business combination for impairment testing purpose, as follows:

	Group	
	As At	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
AngWei Environmental Ecological & Engineering (Shanghai) Co., Ltd ("AngWei Enviro") and its subsidiaries (1)	497	497

(1) Comprising the wastewater treatment business of its subsidiaries, arising from the service concession rights granted by the People's Republic of China government.

The recoverable amount of AngWei Enviro Group was determined based on value in use calculated using cash flow projection from the financial budgets approved by management covering the remaining concession periods, useful lives of the wastewater treatment plants operated by the CGU, ranging from 14 - 23 years (2023: 15 - 24 years). The pre-tax discount rate applied to these cash flows is 10% (2023: 10%).

Key assumptions used for the value in use calculation:

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

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

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

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

Sensitivity to changes in assumptions:

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

#### 10 INTANGIBLE ASSETS

	Group			
	Patent rights	Concession rights	Technical know-how	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost:</b>				
At 1 January 2023	3,732	47,752	388	51,872
Additions	-	1,712	-	1,712
Exchange differences	-	(1,854)	(15)	(1,869)
At 31 December 2023 and 1 January 2024	3,732	47,610	373	51,715
Additions	-	500	-	500
Exchange differences	-	(10)	-	(10)
At 30 June 2024	<b>3,732</b>	<b>48,100</b>	<b>373</b>	<b>52,205</b>
<b>Accumulated amortisation:</b>				
At 1 January 2023	2,714	11,573	388	14,675
Amortisation charge for the year	339	1,536	-	1,875
Exchange differences	-	(451)	(15)	(466)
At 31 December 2023 and 1 January 2024	3,053	12,658	373	16,084
Amortisation charge for the period	170	925	-	1,095
Exchange differences	-	(1)	-	(1)
At 30 June 2024	<b>3,223</b>	<b>13,582</b>	<b>373</b>	<b>17,178</b>
<b>Carrying amount:</b>				
At 31 December 2023	679	34,952	-	35,631
At 30 June 2024	<b>509</b>	<b>34,518</b>	<b>-</b>	<b>35,027</b>

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 10 INTANGIBLE ASSETS (cont'd)

	Company Patent rights S\$'000
<b>Cost:</b>	
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	3,732
<b>Accumulated amortisation:</b>	
At 1 January 2023	2,714
Amortisation charge for the year	339
At 31 December 2023 and 1 January 2024	3,053
Amortisation charge for the period	170
At 30 June 2024	3,223
<b>Carrying amount:</b>	
At 31 December 2023	679
At 30 June 2024	509

#### 11 LOANS AND BORROWINGS

	Group		Company	
	As At		As At	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less, or on demand:-</b>				
Secured	13,626	10,321	-	-
Unsecured	255	260	255	260
<b>Sub-Total</b>	<b>13,881</b>	<b>10,581</b>	<b>255</b>	<b>260</b>
<b>Amount repayable after one year</b>				
Secured	9,522	11,514	-	-
Unsecured	132	252	132	252
<b>Sub-Total</b>	<b>9,654</b>	<b>11,766</b>	<b>132</b>	<b>252</b>
<b>Total borrowings</b>	<b>23,535</b>	<b>22,347</b>	<b>387</b>	<b>512</b>

##### Details of any collateral

As at 30 June 2024 and 31 December 2023, the Group's secured borrowings consist of bank loans, government loan and bills payable.

As at 30 June 2024, bank loans of S\$6.77m (31 December 2023: S\$7.18m) was secured by a charge over a property of a subsidiary.

As at 30 June 2024, bank loans of nil (31 December 2023: S\$1.47m) was secured by corporate guarantee of the Company and personal guarantees of certain key management personnel of the Company.

As at 30 June 2024, bills payable and remaining bank loans of S\$16.38m (31 December 2023: S\$13.19m) was secured by corporate guarantee of the Company and corporate guarantee by a subsidiary company.

#### 12 SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	30-Jun-24		31-Dec-23	
	Number of Shares	Share Capital	Number of Shares	Share Capital
	'000	S\$'000	'000	S\$'000
<b>Share capital</b>				
Beginning of financial period/year	294,054	38,864	294,054	38,864
End of financial period/year	<b>294,054</b>	<b>38,864</b>	<b>294,054</b>	<b>38,864</b>
<b>Treasury shares</b>				
Beginning of financial period/year	(5,534)	(568)	(5,534)	(568)
End of financial period/year	<b>(5,534)</b>	<b>(568)</b>	<b>(5,534)</b>	<b>(568)</b>

Company has 5,533,700 treasury shares as at 30 June 2024 (31 December 2023: 5,533,700 treasury shares).

Company issued nil ordinary shares as at 30 June 2024 and 31 December 2023. The number of shares that may be issued on conversion of all share options outstanding as at 30 June 2024 and 31 December 2023 was nil.

There were no shares held as subsidiary holdings as at 30 June 2024 and 31 December 2023.

#### 13 DIVIDENDS

	Group	
	6 Months Ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<b>Declared and paid during the period:</b>		
Dividends on ordinary shares:		
-Final exempt (one-tier) dividend paid in 2024: 0.3 (2023: 0.4) cent per share	866	1,154

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

#### 14 RELATED PARTIES TRANSACTIONS

	Group	
	6 Months Ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<b>Sales and purchases of goods and services</b>		
In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:		
Purchase of goods from a related party	176	195
<b>Compensation of directors and key management personnel</b>		
The remuneration of directors and other members of key management during the financial period was as follows:		
Salaries, bonuses and benefits	905	1,218
Central Provident Fund contributions	41	42
Directors' fees	55	55
	<b>1,001</b>	<b>1,315</b>
Comprise amounts paid to:		
- Directors of the Company	603	845
- Other key management personnel	398	470
	<b>1,001</b>	<b>1,315</b>
The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.		
<u>Directors' interests in employee share option</u>		
At the end of the reporting period, the total number of outstanding share options granted by the Company to the above-mentioned directors under the share option plan amounted to nil (30 June 2023: 3,476,000).		
There were no share option scheme existing during the financial period ended 30 June 2024.		

#### 15 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	As At		As At	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial Assets (Amortised cost)</b>				
Refundable deposits	434	434	-	-
Trade and other receivables <sup>(1)</sup>	19,695	19,575	-	22
Amount due from subsidiaries	-	-	8,158	10,293
Cash and cash equivalents	8,598	11,073	536	711
	<b>28,727</b>	<b>31,082</b>	<b>8,694</b>	<b>11,026</b>
<b>Financial Liabilities (Amortised cost)</b>				
Trade payables	471	2,189	-	-
Other payables and accruals <sup>(2)</sup>	3,506	5,186	255	1,128
Amount due to associates	258	374	-	-
Amount due to subsidiaries	-	-	276	476
Loans and borrowings	23,535	22,347	387	512
Lease liabilities	2,957	3,048	-	-
	<b>30,727</b>	<b>33,144</b>	<b>918</b>	<b>2,116</b>

(1) Exclude VAT/GST receivables and advances to suppliers

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

#### 16 CONTINGENCIES

On 13 December 2023, the Company has entered into a sale and purchase agreement (SPA) with a purchaser to dispose of all the Company's shares in Pioneer Environmental Technology Pte. Ltd. (Pioneer), a 51% owned subsidiary of the Company. Pursuant to the SPA, the Company will continue to provide securities and guarantees to Pioneer for ongoing projects and debts in bank facilities until the completion of these projects undertaken by Pioneer and discharge of bank facilities.

As at the date of the SPA, the outstanding obligations to be fulfilled under the project contract amounted to approximately S\$4,450,000, of which the bank has provided banker's guarantees of approximately S\$1,790,000. The securities and guarantees provided by the Company will only be discharged upon the completion of the respective project contracts and repayment of the bank facilities.

Based on information currently available, the Company does not expect any liabilities to arise from the abovementioned guarantees as the Company's exposure is mitigated by the securities pledged by the Purchaser. These securities include a personal guarantee by the purchaser, mortgage over two properties in Singapore and charges over the shares in certain PRC subsidiaries held by the purchaser. Accordingly, no provision has been recognised for the financial period ended 30 June 2024.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### F OTHER INFORMATION

- 1 (a)(i) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

#### SHARE CAPITAL

	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	Number of Shares		Share Capital	
	'000		S\$'000	
Balance as at beginning of financial period/year 294,053,974 ordinary shares	294,054	294,054	38,864	38,864
Less: Treasury Shares	(5,534)	(5,534)	(568)	(568)
Balance as at end of financial period/year 288,520,274 ordinary shares	<b>288,520</b>	<b>288,520</b>	<b>38,296</b>	<b>38,296</b>
Percentage (%) of treasury shares held against the total number of shares outstanding as at end of financial period/year	<b>1.90</b>	<b>1.90</b>		

Company has 5,533,700 treasury shares as at 30 June 2024 (31 December 2023 and 30 June 2023: 5,533,700 treasury shares).

Company issued nil ordinary shares as at 30 June 2024 and 31 December 2023. The number of shares that may be issued on conversion of all share options outstanding as at 30 June 2024 and 31 December 2023 was nil.

There were no shares held as subsidiary holdings as at 30 June 2024, 31 December 2023 and 30 June 2023.

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

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

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

There are no sales or transfers, cancellation and/or use of treasury shares between 1 January 2024 and 30 June 2024.

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

Not applicable.

# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### F OTHER INFORMATION (cont'd)

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

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

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

Not applicable.

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

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

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

Not applicable.

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

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

The Group and Company have adopted the same accounting policies and methods of computation for the current financial period as those applied in the financial year ended 31 December 2023.

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

Not applicable.

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

#### EARNING PER ORDINARY SHARE

	Group		
	30-Jun-24	30-Jun-23	Change %
Earnings/(Loss) per ordinary share for the financial period based on net profit/(loss) attributable to the equity holders of the Company			
<b>Continuing Operations</b>			
(i) Based on weighted average number of ordinary shares (in cents)	0.16	0.60	(73.50)
- Weighted average number of shares	288,520,274	288,520,274	-
(ii) On a fully diluted basis (in cents)	0.16	0.60	(73.50)
- Adjusted weighted average number of shares	288,520,274	288,520,274	-
<b>Discontinued Operations</b>			
(i) Based on weighted average number of ordinary shares (in cents)	-	(0.02)	NM
- Weighted average number of shares	288,520,274	288,520,274	-
(ii) On a fully diluted basis (in cents)	-	(0.02)	NM
- Adjusted weighted average number of shares	288,520,274	288,520,274	-

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

**(a) current financial period reported on; and**

**(b) immediately preceding financial year**

	Group			Company		
	As At		Change	As At		Change
	30-Jun-24	31-Dec-23		30-Jun-24	31-Dec-23	
	Cents	Cents	%	Cents	Cents	%
Net asset attributable to owners of the Company per ordinary share based on the existing issued share capital excluding treasury shares as at end of financial period/year	22.37	22.45	(0.36)	13.28	13.81	(3.84)

The net asset value per ordinary share is based on 288,520,274 (2023: 288,520,274) shares at the end of each financial period/year.



# ANNAIK LIMITED

## Condensed Interim Financial Statements For The Period Ended 30-06-2024

### F OTHER INFORMATION (cont'd)

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

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

#### Discontinued operations and subsidiary classified as held for sale:

On 13 December 2023, the Company entered into a sale and purchase agreement in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd., a 51% owned subsidiary of the Company and its subsidiaries and associated companies ("Pioneer Group"), subject to the fulfillment of the condition precedents. Accordingly, the results of Pioneer have been separately presented in the consolidated income statement for the comparative financial period ended 30 June 2023 and condensed statement of financial position as at 31 December 2023 as discontinued operations and subsidiary classified as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" respectively.

On 10 May 2024, the disposal of Pioneer Group was completed in accordance with the terms and conditions of the SPA. Accordingly, the Group ceased to hold any interest in Pioneer Group.

Please refer to Note E8 for the details.

#### Income Statement

##### Continuing Operations

The Group's profit attributable to owners of the Company for the period ended 30 June 2024 was S\$0.46 million as compared to S\$1.74 million recorded in the prior comparative period, being the period ended 30 June 2023. The dip in results was mainly due to normalisation of steel price in the beginning of the year as compared to prior comparative period which resulted in reduced gross profit. The Group's revenue decreased by approximately S\$4.03 million or 16.15% from S\$24.96 million in 1H2023 to S\$20.93 million in 1H2024 mainly due to:

- substantial lower sales from its trading of steel under the distribution division mainly due to lesser projects/sales delivered in Singapore, including Malaysia, Indonesia and Australia.
- lower sales from its industrial cum municipal wastewater business under the environmental business division mainly due to lesser addition of intangible assets and correspondingly lower construction revenue recognised in 1H2024 under SFRS (I) INT 12 Service Concession Arrangements; and partially offset by:
- higher service income from environmental business division mainly due to higher treatment of wastewater services;
- higher sales generated from manufacturing of steel flanges due to improvement of SHINSEI brand's awareness as driven by intensive marketing effort.

Gross profit decreased by S\$1.41 million or 17.34% from S\$8.12 million in 1H2023 to S\$6.71 million in 1H2024. The decrease was in tandem with lower revenue and also lower gross profit from the distribution of steel products business as explained above. Overall gross profit margin reduced marginally from 32.5% in 1H2023 to 32.1% in 1H2024.

Other operating income decreased by S\$0.23 million or 33.72% from S\$0.69 million in 1H2023 to S\$0.46 million in 1H2024. The decrease was mainly due to the absence of government grants received in the current period and partially offset by a marginal increase in interest income received.

Other operating expenses increased by S\$0.08 million or 25.55% from S\$0.32 million in 1H2023 to S\$0.40 million in 1H2024 mainly due to higher foreign currency exchange losses arising from appreciation of Singapore dollars against various currencies the Group transacts in.

As a result of fewer EPC projects secured and delivered during the period from the rural wastewater treatment business under the environmental business division, share of losses of associate amounted to S\$0.17 million in 1H2024 as compared to share of losses of S\$0.07 million in 1H2023.

Finance costs decreased by S\$0.10 million or 13.76% from S\$0.73 million in 1H2023 to S\$0.63 million in 1H2024, following the net repayment of loans and borrowings in the current period.

Income tax expense decreased by S\$0.18 million or 30.90% from S\$0.59 million in 1H2023 to S\$0.41 million in 1H204 in line with the decrease in profit before tax for the reasons as explained above.

#### Statement of Financial Position

The current assets of the Group decreased by S\$5.31 million from S\$57.79 million as at 31 December 2023 to S\$52.48 million as at 30 June 2024, mainly attributed to:

- absence of assets of disposal group classified as held for sale of S\$3.50 million, following the completion of disposal of Pioneer Group in 1H2024;
- decrease in cash and cash equivalents of S\$2.48 million due to repayment of bank loans, trade payables and other payables and accruals; offset by
- increase in other receivables of S\$1.02 million mainly due to the advances to suppliers.

Debtor turnover increased from 155 days as at 31 December 2023 to 171 days as at 30 June 2024 due to slower collections, especially from the environmental business in PRC.

The Group maintained a healthy and positive working capital of S\$32.29 million or current ratio of 2.60 times with current assets of S\$52.48 million and current liabilities of S\$20.19 million as at 30 June 2024.

The non-current assets of the Group decreased by S\$0.63 million from S\$62.25 million as at 31 December 2023 to S\$61.62 million as at 30 June 2024, mainly attributable to:

- decrease in intangible assets and right-of-use assets of S\$0.76 million due to the amortisation and depreciation charge in 1H2024, which was partially offset by acquisition of intangible assets related to the upgrading of wastewater treatment plants under the environmental business division;
- decrease in investment in associates due to share of loss of associates recognised in the current period; offset by
- an increase in property, plant and equipment of S\$0.30 million attributable to the additions of property, plant and equipment, which was offset by depreciation charge in 1H2024.

The total liabilities of the Group decreased by S\$6.10 million from S\$41.13 million as at 31 December 2023 to S\$35.03 million as at 30 June 2024. The decrease was mainly attributable to:

- absence of liabilities directly associated with disposal group classified as held for sale of S\$3.14 million, following the completion of disposal of Pioneer Group in 1H2024;
- trade payables of S\$1.72 million in tandem with a decrease in cost of sales;
- other payables and accruals of S\$2.42 million mainly due to repayment during 1H2024 and lower accrual of payroll and related costs; offset by:
- an increase in bills payable of S\$1.48 million.

Net gearing ratio increased from 0.22 times as at 31 December 2023 to 0.27 times as at 30 June 2024.

#### Cash Flow

Net cash flow generated from operating activities amounted to S\$0.03 million in the current period as a result of its operating profit before working capital changes of S\$4.14 million and net decrease in working capital changes of S\$3.46 million.

Net cash flow used in investing activities amounted to S\$0.99 million mainly due to additions in intangible assets and property, plant and equipment, which was offset by proceeds from sale of Pioneer Group classified as disposal group held for sale.

Net cash flow used in financing activities amounted to S\$1.56 million mainly due to net repayments to loans and borrowings, payment of lease liabilities, and dividend payment.

The Group's net asset per share as at 30 June 2024 was 22.37 cents and earnings per share was 0.16 cents.

# ANNAIK LIMITED

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## Condensed Interim Financial Statements For The Period Ended 30-06-2024

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### F OTHER INFORMATION (cont'd)

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

The Group's financial results for financial period ended 30 June 2024 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 29 February 2024 in relation to its results for full year ended 31 December 2023.

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

The Group operates in a highly competitive business environment given the present high interest rate and inflationary pressure environment, coupled with the on-going geopolitical and economic uncertainties.

Notwithstanding the challenges, our distribution business has recently secured more projects sales, which will contribute to our operating results in the next twelve months. Subsequent to the end of the current financial period, there has been ongoing payments received from the local government in PRC for the services rendered under the environmental business based on established payment plan. This payment plan is expected to be sustainable with the core activities of our environmental business in PRC.

The Group continues to take a prudent and cautious approach in managing its business activities and remains watchful for new potential markets or suitable opportunities for growth. Alongside this, the Group continues to implement cost controls measures for competitiveness.

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

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

None.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

# ANNAIK LIMITED

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## Condensed Interim Financial Statements For The Period Ended 30-06-2024

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### F OTHER INFORMATION (cont'd)

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

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

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

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of AnnAik Limited which may render the financial statements announcement for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

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

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

- 16 Disclosure pursuant to Rule 706A of the Catalist Rules**

As announced on 10 May 2024, the disposal of Pioneer Group was completed in accordance with the terms and conditions of the SPA. Following which, entities within the Pioneer Group have ceased to be subsidiaries and/or associated companies of the Company. Please refer to the Company's announcements dated 13 December 2023 and 10 May 2024 for more information on the disposal of Pioneer Group.

Ow Chin Seng  
Executive Director

Ng Kim Keang  
Executive Director

14 August 2024

*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Audrey Mok (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*