



ANAN INTERNATIONAL LIMITED 安安国际有限公司
(Incorporated in Bermuda)
(Company Registration No. 35733)
(the “Company”)

Pursuant to Rule 705(2C) of the Listing Manual, the Singapore Exchange Regulation requires the Company to announce its quarterly financial statements.

**Condensed Interim Consolidated Financial Statements
For the Six Months Period Ended 30 June 2024**

TABLE OF CONTENTS	PAGE
Condensed interim consolidated statement of profit or loss and other comprehensive income	3
Condensed interim statements of financial position	4
Condensed interim statements of changes in equity	5
Condensed interim consolidated statement of cash flows	6
Selected notes for the condensed interim consolidated financial statements	7-11
Other information required under listing manual	11-16

**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the six months period ended 30 June 2024**

<u>Group</u>	Three	Three	Increase	Six	Six	Increase
	months	months		months	months	
	ended	ended		ended	ended	
	30 Jun 2024	30 Jun 2023	/(decrease)	30 Jun 2024	30 Jun 2023	/(decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue	572,238	592,219	(3)	1,134,988	1,244,497	(9)
Cost of sales	(552,610)	(566,003)	(2)	(1,095,611)	(1,193,486)	(8)
Gross profit	19,628	26,216	(25)	39,377	51,011	(23)
Other income	495	3,766	(87)	861	4,354	(80)
Selling and distribution expenses	(20,998)	(20,420)	3	(44,487)	(38,228)	16
Administrative expenses	(1,020)	(1,196)	(15)	(2,054)	(2,426)	(15)
Other operating (expenses)/income	(610)	295	N.M	7	615	(99)
Net impairment loss on receivables	(102)	(3,776)	(97)	(215)	(4,658)	(95)
Bad debt written off	-	(52)	N.M	-	(107)	N.M
Finance expenses	(2,479)	(1,571)	58	(4,811)	(2,824)	70
Share of results of associates and joint ventures	734	107	586	1,739	920	89
(Loss)/Profit before income tax	(4,352)	3,369	(229)	(9,583)	8,657	(211)
Income tax credit/(expenses)	2,205	(1,543)	N.M	3,343	(2,576)	N.M
(Loss)/Profit for the period	(2,147)	1,826	(218)	(6,240)	6,081	(203)
Other comprehensive (loss)/income:						
Item that may be reclassified						
subsequently to profit or loss						
Currency translation differences arising from consolidation	(7,090)	61	N.M	(2,655)	1,887	N.M
Other comprehensive (loss)/income for the period	(7,090)	61	N.M	(2,655)	1,887	N.M
Total comprehensive (loss)/income for the period	(9,237)	1,887	N.M	(8,895)	7,968	(212)
(Loss)/Profit attributable to:						
Owners of the Company	(1,098)	691	N.M	(3,263)	2,164	N.M
Non-controlling interests	(1,049)	1,135	N.M	(2,977)	3,917	N.M
(Loss)/Profit for the period	(2,147)	1,826	(218)	(6,240)	6,081	(203)
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(8,245)	758	N.M	(6,278)	4,147	N.M
Non-controlling interests	(992)	1,129	N.M	(2,617)	3,821	N.M
Total comprehensive (loss)/income for the period	(9,237)	1,887	N.M	(8,895)	7,968	(212)

N.M – Not Meaningful

**Condensed interim consolidated statements of financial position
As at 30 June 2024**

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	85,193	86,238	-	-
Right-of-use assets	4,094	4,729	-	-
Intangible assets	30,293	27,173	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	8,897	8,132	-	-
Investments in joint ventures	46,867	46,232	-	-
Available-for-sale financial assets	708	362	-	-
Deferred tax assets	1,295	1,334	-	-
Other receivables	2,877	1,484	-	-
Total non-current assets	180,224	175,684	50,000	50,000
Current assets:				
Inventories	112,407	106,345	-	-
Trade and other receivables	220,616	218,355	17	30
Amounts due from related parties	7,327	13,180	-	-
Tax receivable	5,320	4,548	-	-
Derivative financial assets	251	371	-	-
Cash and bank balances	34,849	49,152	-	-
Total current assets	380,770	391,951	17	30
Total assets	560,994	567,635	50,017	50,030
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	249,663	234,368	76	147
Derivative financial liabilities	450	551	-	-
Loans and borrowings	117,319	126,382	-	-
Lease liabilities	328	1,345	-	-
Amounts due to holding company	47	49	-	-
Amounts due to subsidiary company	-	-	1,712	1,711
Amounts due to related parties	1,045	35	-	-
Total current liabilities	368,860	362,738	1,788	1,858
Non-current liabilities:				
Provisions	19,495	20,226	-	-
Lease liabilities	3,869	3,489	-	-
Deferred tax liabilities	2,909	2,785	-	-
Loans and borrowings	17,247	21,021	-	-
Other payables	3,824	3,691	-	-
Total non-current liabilities	47,344	51,212	-	-
Total liabilities	416,204	413,950	1,788	1,858
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(100,400)	(97,137)	(148,624)	(148,681)
Foreign currency translation reserve	(1,782)	1,233	-	-
	94,671	100,949	48,229	48,172
Non-controlling interests	50,119	52,736	-	-
Total equity	144,790	153,685	48,229	48,172
Total liabilities and equity	560,994	567,635	50,017	50,030

Condensed interim statements of changes in equity

	Attributable to the Owners of the Company						
	Share capital	Share premium	Accumulated losses	Foreign currency translation reserve	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group							
At 1 January 2024	545	196,308	(97,137)	1,233	100,949	52,736	153,685
Loss for the period, representing Total comprehensive loss/(income) for the period	-	-	(3,263)	-	(3,263)	(2,977)	(6,240)
Currency translation differences	-	-	-	(3,015)	(3,015)	360	(2,655)
Balance at 30 June 2024	545	196,308	(100,400)	(1,782)	94,671	50,119	144,790
At 1 January 2023	545	196,308	(102,770)	(2,534)	91,549	51,502	143,051
Profit for the period, representing Total comprehensive income for the period	-	-	2,164	-	2,164	3,917	6,081
Currency translation differences	-	-	-	1,983	1,983	(96)	1,887
Balance at 30 June 2023	545	196,308	(100,606)	(551)	95,696	55,323	151,019

	Attributable to the Owners of the Company			
	Share capital	Share premium	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
Company				
At 1 January 2024	545	196,308	(148,681)	48,172
Profit for the period, representing total comprehensive income for the period	-	-	57	57
Balance at 30 June 2024	545	196,308	(148,624)	48,229
At 1 January 2023	545	196,308	(148,670)	48,183
Profit for the period, representing total comprehensive income for the period	-	-	6	6
Balance at 30 June 2023	545	196,308	(148,664)	48,189

Condensed interim consolidated statement of cash flows

<u>Group</u>	Three months ended	Three months ended	Six months ended	Six months ended
	30 Jun 2024 US \$'000 (Unaudited)	30 Jun 2023 US \$'000 (Unaudited)	30 Jun 2024 US \$'000 (Unaudited)	30 Jun 2023 US \$'000 (Unaudited)
Operating activities				
(Loss)/Profit before income tax	(4,352)	3,369	(9,583)	8,657
Adjustment for:				
Depreciation and amortisation	3,631	2,703	7,204	5,331
Gain on disposal of property, plant and equipment	(12)	(12)	(16)	(15)
Loss on disposal of a subsidiary	-	-	-	1,106
Fair value measurement on derivative instrument	(450)	(360)	24	(734)
Allowance for doubtful debts	102	3,776	215	4,658
Bad debts written-off	-	52	-	107
Interest expenses	1,890	1,088	3,722	1,930
Interest income	(658)	(612)	(996)	(1,166)
Share of results of associate and joint ventures	(734)	(107)	(1,739)	(920)
Exchange realignment	(3,189)	1,153	(996)	1,267
Operating cash flows before changes in working capital	(3,772)	11,050	(2,165)	20,221
Changes in working capital:				
Inventories	(22,461)	(4,189)	(14,792)	13,879
Trade and other receivables	(17,903)	13,094	(11,576)	(18,133)
Trade and other payables	25,094	(23,148)	29,462	34,458
Cash flows (used in)/generating from operations	(19,042)	(3,193)	929	50,425
Income taxes refund/(paid)	4,477	(9,396)	2,645	(14,912)
Interest paid	(4,060)	(1,088)	(3,722)	(1,930)
Interest received	726	612	996	1,166
Net cash flows (used in)/generated from operating activities	(17,899)	(13,065)	848	34,749
Investing activities				
Cash outflow from acquisition of subsidiaries	-	(1,845)	(3,784)	(1,845)
Proceeds from disposal of a subsidiary	-	2,357	-	3,445
Proceeds from disposal of property, plant and equipment	16	39	29	45
Purchases of intangible assets, property, plant and equipment	(5,758)	(9,247)	(7,871)	(20,267)
Net cash flows used in investing activities	(5,742)	(8,696)	(11,626)	(18,622)
Financing activities				
Net proceeds from/(repayment of) borrowings	7,953	7,416	(523)	1,323
Repayment of lease liabilities	(337)	(272)	(809)	(518)
Repayment of loan from holding company	-	-	-	(1)
Proceeds from/(repayment to) related companies/related parties	8,096	811	6,481	(1,708)
Net cash flows generated from/(used in) financing activities	15,712	7,955	5,149	(904)
Net (decrease)/increase in cash and cash equivalents	(7,929)	(13,806)	(5,629)	15,223
Cash and cash equivalents at the beginning of the period	(9,015)	(4,662)	(12,154)	(38,082)
Effect of exchange rate changes on cash and cash equivalents	170	(7)	1,009	(278)
Cash and cash equivalents at the end of the period	(16,774)	(18,475)	(16,774)	(23,137)
Cash and bank balances	34,849	485	34,849	16,279
Bank overdrafts	(51,623)	(18,960)	(51,623)	(39,416)
Cash and cash equivalents per consolidated statement of cash flows	(16,774)	(18,475)	(16,774)	(23,137)

Selected notes for the condensed interim consolidated financial statements

A. General information

AnAn International Limited (the “Company”), is a limited liability company domiciled and incorporated in Bermuda and is listed on the Main Board of Singapore Exchange Securities Trading Limited. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is 10 Anson Road, #17-12 International Plaza, Singapore 079903.

The Company's immediate and ultimate holding company is AnAn Group (Singapore) Pte. Ltd. (“AAG”), incorporated in Singapore.

The principal activity of the Company is that of investment holding.

B. Basis of preparation

The condensed interim consolidated financial statements for the six months period 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 consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's performance.

These financial statements are presented in United States dollars (“US\$”) and all values are rounded to the nearest thousand (US\$'000), unless otherwise stated.

C. Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

D. Segment information

Operating Segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the six months financial period ended 30 June 2024 ("6M 2024").

	<u>Distribution</u> US\$'000	<u>Wholesale</u> US\$'000	<u>Corporate</u> US\$'000	<u>Adjustments and eliminations</u> US\$'000	<u>Total</u> US\$'000
6M2024					
Revenue:					
External customers	1,134,988	-	-	-	1,134,988
Dividend income	-	-	-	-	-
Total revenue	1,134,988	-	-	-	1,134,988
Results:					
Segment results	(6,251)	686	(1,198)	(744)	(7,507)
Interest income	820	-	176	-	996
Finance expenses	(4,805)	(4)	(2)	-	(4,811)
Share of results of joint venture and associate	647	-	1,092	-	1,739
	(9,589)	682	68	(744)	(9,583)
Tax expense	3,343	-	-	-	3,343
Net profit/(loss) for the period	(6,246)	682	68	(744)	(6,240)
Segment assets:					
Segment assets	519,758	664	60,023	(76,510)	503,935
Investment in associates	10,943	-	-	(2,046)	8,897
Investment in joint ventures	11,500	-	26,554	8,813	46,867
Tax assets	-	-	-	1,295	1,295
Total assets	542,201	664	86,577	(68,448)	560,994
Segment liabilities:					
Segment liabilities	421,899	121,276	16,837	(141,397)	418,615
Tax liabilities	(3,121)	-	-	710	(2,411)
Total liabilities	418,778	121,276	16,837	(140,687)	416,204
Capital expenditure					
	7,871	-	-	-	7,871
Significant non-cash items:					
Depreciation and amortisation	7,089	46	69	-	7,204

	<u>Distribution</u> US\$'000	<u>Wholesale</u> US\$'000	<u>Corporate</u> US\$'000	<u>Adjustments and eliminations</u> US\$'000	<u>Total</u> US\$'000
6M 2023					
Revenue:					
External customers	1,243,185	-	-	-	1,243,185
Dividend income	1,312	-	-	-	1,312
Total revenue	1,244,497	-	-	-	1,244,497
Results:					
Segment results	11,796	287	921	(3,609)	9,395
Interest income	1,166	-	-	-	1,166
Finance expenses	(2,820)	-	(4)	-	(2,824)
Share of results of joint venture and associate	170	-	750	-	920
	10,312	287	1,667	(3,609)	8,657
Tax expense	(2,576)	-	-	-	(2,576)
Net profit/(loss) for the period	7,736	287	1,667	(3,609)	6,081
Segment assets:					
Segment assets	491,012	257	56,799	(72,423)	475,645
Investment in associates	10,635	-	4,368	(6,686)	8,317
Investment in joint ventures	12,130	-	26,554	7,236	45,920
Tax assets	-	-	-	1,316	1,316
Total assets	513,777	257	87,721	(70,557)	531,198
Segment liabilities:					
Segment liabilities	380,670	122,810	13,325	(139,942)	376,863
Tax liabilities	2,821	-	-	495	3,316
Total liabilities	383,491	122,810	13,325	(139,447)	380,179
Capital expenditure					
	20,267	-	-	-	20,267
Significant non-cash items:					
Depreciation and amortisation	5,236	2	93	-	5,331

E. The Group's profit (loss) before income tax is arrived at after charging / (crediting):

<u>Group</u>	Three months ended	Three months ended	Increase	Six months ended	Six months ended	Increase
	30 Jun 2024 US\$'000 (Unaudited)	30 Jun 2023 US\$'000 (Unaudited)	/(decrease) %	30 Jun 2024 US\$'000 (Unaudited)	30 Jun 2023 US\$'000 (Unaudited)	/(decrease) %
Gain on disposal of property, plant and equipment	(12)	(12)	-	(16)	(15)	7
Interest income	(658)	(612)	8	(996)	(1,166)	(15)
Loss on disposal of a subsidiary	-	-	-	-	1,106	N.M
Depreciation and amortisation	3,631	2,703	34	7,204	5,331	35
Allowance for doubtful debts	102	3,776	(97)	215	4,658	(95)
Bad debts written-off	-	52	N.M	-	107	N.M
Directors' fees	27	27	-	55	55	-
Finance expenses	2,479	1,571	58	4,811	2,824	70
Professional fees	451	673	(33)	976	1,351	(28)
Rental expenses	2,563	2,010	28	4,993	4,094	22
Staff costs (including key management personnel compensation)	11,142	11,186	(0)	22,073	20,564	7
Travelling expenses	68	275	(75)	357	510	(30)

F. Net assets value

	<u>Group</u>		<u>Company</u>	
	30 Jun 2024 US cents	31 Dec 2023 US cents	30 Jun 2024 US cents	31 Dec 2023 US cents
Net assets value per ordinary share	<u>2.236</u>	<u>2.385</u>	<u>1.139</u>	<u>1.138</u>

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$94,671,000 as at 30 June 2024 (31 December 2023: US\$100,949,000) and the Company's net assets of approximately US\$48,229,000 as at 30 June 2024 (31 December 2023: US\$48,172,000) and share capital of 4,233,185,850 shares (31 December 2023: 4,233,185,850 shares).

G. Aggregate amount of the Group's borrowings and debt securities

	<u>Unsecured</u>		<u>Secured</u>	
	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000	30 Jun 2024 US\$'000	31 Dec 2023 US\$'000
Amount payable in one year or less or on demand	7,888	8,672	109,431	117,710
Amount payable after one year	17,247	21,021	-	-

Details of any collateral

The secured borrowings of US\$109,431,000 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 June 2024, the Group has also given guarantees in the amount of US\$57.17 million as follows:

- i) Bank guarantees in the amount of US\$57.05 million to 12 oil product suppliers to secure certain favourable buying conditions and payment terms for 2 subsidiaries and a joint venture company; and
- ii) Letter of support to banks in the amount of US\$0.12 million in favour of a joint venture company in France.

Other information required under listing manual

- 1a(i) Details of any changes in the Company's share capital arising from right 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 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 corresponding period of the immediately preceding financial year.**

There have been no changes in the Company's share capital since the end of the previous period reported.

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1a(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.**

The total number of issued shares as at end of 30 June 2024 and 31 December 2023 was 4,233,185,850 shares. There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 June 2024 and 31 December 2023.

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

Not applicable as the Company does not have any treasury shares.

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

During the financial period, there was no transaction pertaining to subsidiary holdings.

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

These figures have neither been reviewed nor audited by the Company's auditors.

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

Not applicable.

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.

Not applicable as the Company's auditors have issued unqualified audit opinion for FY2023 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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable new/revised International Financial Reporting Standards ("IFRS") and IFRS interpretations ("INT IFRS") which came into effect for the financial years beginning on or after 1 January 2024.

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

In the current financial year, the Group has adopted the new and revised IFRS, and INT IFRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised IFRS or INT IFRS does 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 group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

	<u>Group</u>			
	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>
	US\$	US\$	US\$	US\$
(Loss)/Profit attributable to owners of the Company	(1,097,981)	691,049	(3,263,553)	2,163,820
(Loss)/Profit per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	(0.026)	0.016	(0.077)	0.051
Weighted average number of ordinary shares in issue	4,233,185,850	4,233,185,850	4,233,185,850	4,233,185,850
(b) On a fully diluted basis	(0.026)	0.016	(0.077)	0.051
Weighted average number of ordinary shares in issue	4,233,185,850	4,233,185,850	4,233,185,850	4,233,185,850

7. **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 period reported on.**

Review of the Group's financial performance

For the second quarter of the year ("**2Q 2024**"), the Group's revenue decreased by 3% on quarter to quarter ("**Q-to-Q**"), falling to US\$572.24 million from US\$592.22 million in the second quarter of last year ("**2Q 2023**"). Revenue also decreased by 9% from US\$1,244.50 million for the six months ended 30 June 2023 ("**6M 2023**") to US\$1,134.99 million for the six months ended 30 June 2024 ("**6M 2024**"). The Group's revenue was derived from the Group's fuel distribution business in France and Spain ("**Dyneff Group**"). The decline in the revenue for both 2Q 2024 and 6M 2024 as compared to the corresponding periods in 2023 were mainly due to reduced sales volume resulting from the decrease in demand of the customers.

The costs of sales decreased to US\$1,095.61 million in 6M 2024, a decrease of 16% from US\$1,193.49 million in 6M 2023, consistent with the reduction in revenue.

Gross profit fell to US\$19.63 million in 2Q 2024, a decrease of 25% from US\$26.22 million in 2Q 2023. It also declined by 23% from US\$51.01 million in 6M 2023 to US\$39.38 million in 6M 2024. These decreases were mainly due to the reduced sales volume and a decline in gross profit margin by 0.63%, from 4.10% in 6M 2023 to 3.47% in 6M 2024 by Dyneff Group, as a result of intense competition in the distribution markets.

Other income was US\$0.50 million in 2Q 2024, compared to US\$3.77 million in 2Q 2023. This decrease was mainly due to lower forfeited deposits of US\$3.27 million collected from customers of Dyneff Group in 2Q 2024, compared to 2Q 2023. Other income for 6M 2024 and 6M 2023 was US\$0.86 million and US\$4.35 million respectively. The decrease of US\$3.49 million was mainly due to abovementioned factor and reduced interest income earned for 6M 2024.

Selling and distribution expenses increased by 3% from US\$20.42 million in 2Q 2023 to US\$21.00 million in 2Q 2024. These expenses also rose by 16% from US\$38.23 million in 6M 2023 to US\$44.49 million in 6M 2024. The overall increase of US\$6.26 million was mainly due to higher depreciation of US\$1.85 million as a result of purchase of property, plant and equipment, increased staff costs of US\$1.54 million due to higher headcounts, increase of repair and maintenances expenses of US\$1.51 million, and higher equipment rental costs of US\$0.99 million. This increase was mainly due to full 6M impact of newly added petrol gas stations and newly acquired companies in 2023 and 2024.

Administrative expenses decreased by 15% from US\$1.20 million in 2Q 2023 to US\$1.02 million in 2Q 2024. They also decreased by 15% from US\$2.43 million in 6M 2023 to US\$2.05 million in 6M 2024. The overall decrease was mainly due to the Group incurred lesser professional and consultancy fees of US\$0.37 million related to due-diligence work conducted on potential acquisition projects.

Other operating income was US\$0.007 million in 6M 2024 compared to US\$0.62 million in 6M 2023. The decrease was mainly due to provision of US\$0.61 million in 2Q 2024 for replenishing the required annual energy-saving certificates in accordance with French environment legislation to all energy suppliers in France.

Net impairment loss on receivables decreased by 97% from US\$3.78 million in 2Q 2023 to US\$0.10 million in 2Q 2024. It also decreased by 95% from US\$4.66 million in 6M 2023 to US\$0.22 million in 6M 2024. The overall decrease of US\$4.44 million was mainly due to fewer receivables meeting the criteria for impairment in 6M 2024, compared to 6M 2023. No bad debts were written off in 6M 2024 compared to 6M 2023.

Finance expenses increased by 58% from US\$1.57 million in 2Q 2023 to US\$2.48 million in 2Q 2024. They also increased by 70% from US\$2.82 million in 6M 2023 to US\$4.81 million in 6M 2024. The overall increase was mainly due to higher interest expenses from bank borrowings and bank commissions incurred by Dyneff Group.

The share of profits of associates and joint ventures increased by 586% from US\$0.10 million in 2Q 2023 to US\$0.73 million in 2Q 2024. It also increased by 89% from US\$0.92 million in 6M 2023 to US\$1.74 million in 6M 2024. The overall increase was mainly due to a total of US\$0.63 million rise in share of profits from both French associate and Chinese joint venture in 2Q 2024 compared to 2Q 2023.

The Group recorded a net loss of US\$2.15 million and US\$6.24 million in 2Q 2024 and 6M 2024 respectively, compared to net profits of US\$1.83 million and US\$6.08 million in 2Q 2023 and 6M 2023 respectively. These were attributable to the lower gross profit margin and the decreased revenue from the Group's fuel distribution business.

Review of the Group's financial position

The Group's non-current assets stand at US\$180.22 million as at 30 June 2024, compared to US\$175.68 million as at 31 December 2023. These assets comprised property, plant and equipment of US\$85.19 million, right-of-use assets of US\$4.09 million, intangible assets of US\$30.29 million, investments in associates and joint ventures of US\$55.76 million, available-for-sale financial assets of US\$0.71 million, deferred tax assets of US\$1.30 million and other receivables of US\$2.88 million. The increase of US\$4.54 million was mainly attributable to Dyneff Group's addition of the intangible assets of US\$3.78 million, property, plant and equipment of US\$7.70 million, and right -of use assets of US\$0.17 million, offset by the depreciation and amortisation of US\$7.20 million during the reporting period.

The current assets stood at US\$380.77 million as 30 June 2024 compared to US\$391.95 million as at 31 December 2023. The overall decrease of US\$11.18 million in current assets was mainly from a reduction of US\$14.30 million in cash and bank balances and US\$5.85 million in amount due from related parties, partially offset by an increase of US\$6.06 million in inventories, US\$2.26 million in trade and other receivables and US\$0.77 million in tax recoverable. The increase in inventories and trade receivables were mainly due to the addition of inventories and trade receivables from a newly acquired subsidiary CPA SAS, a wholesale distributor, in 2024. The increase in tax recoverable was mainly due to tax credits arising from the tax losses of the Dyneff Group. The decrease in cash and bank balances were mainly due to payment for the purchase of property, plant and equipment, and inventories. The decrease in the amounts due from related parties was due to the repayment of the advances provided by Dyneff SAS to a joint venture, which was in the midst of obtaining long term financing for the capital expenditures.

The increase of US\$6.12 million in current liabilities was mainly due to an increase of US\$15.30 million in trade and other payables, partially offset by a decrease of US\$9.06 million in loans and borrowings. The higher trade and other payables were mainly attributable to the resume of normal credit terms compared to the shorter payment periods requested by the suppliers as at 31 December 2023. The decrease in loans and borrowings was mainly as result of repayments to banks. The decrease of US\$3.87million in non-current liabilities was mainly due to a reduction in loans and borrowings of US\$3.77 million as a result of repayments.

Overall, the Group's net assets stood at US\$94.67 million as at 30 June 2024, or 2.24 US cents per share, compared to US\$100.95 million as at 31 December 2023 or 2.38 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows used in operating activities of US\$17.90 million in 2Q 2024, as compared to net cash flows used in operating activities of US\$13.07 million in 2Q 2023. This increase in cash flow used in operating activities was mainly due to lower revenues and higher interest expense payments in 2Q 2024.

The net cash flows used in investing activities of US\$5.74 million in 2Q 2024 as compared to US\$8.70 million in 2Q 2023 was mainly due to purchases of property, plant and equipment by Dyneff Group in France.

The net cash flows generated from financing activities of US\$15.71 million in 2Q 2024, compared to net cash flows generated from financing activities of US\$7.96 million in 2Q 2023, primarily attributable to higher repayments from a joint venture to the advances provided by Dyneff SAS in 2Q 2024.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$34.85 million and bank overdrafts of US\$51.62 million as at 30 June 2024.

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

No forecast or prospect statement has been previously disclosed to shareholders.

9. 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's revenue is mainly derived from Dyneff Group, who is a major independent energy distributor in the French and Spanish markets. The oil distribution industry in France and Spain is grappling with transformations driven by factors such as the global push towards renewable energy, market consolidation, shifting consumer preferences towards cleaner energy sources, and global economic dynamics.

Dyneff Group's strategic plan involves maintaining its current market privileges in oil distribution with a stable customer base while diversifying its energy distribution activities to meet evolving customer demands in an increasingly diverse energy mix. In addition to pursuing organic growth, Dyneff Group is employing an acquisition strategy to explore growth opportunities, aligning with their goal of transforming from an oil distributor to an energy service provider. Despite uncertainties in the economic outlook, Dyneff Group remains cautious while continuing to focus on these strategies to ensure competitiveness and resilience in the evolving energy landscape over the next reporting period and the subsequent 12 months

10. Dividend

If a decision regarding dividend has been made:

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

There was no final ordinary dividend recommended.

(b) (i) Current financial period reported on.

There were no dividends declared for the financial period reported on.

(ii) Corresponding period of the immediately preceding financial year.

There were no dividends declared for the corresponding period of the immediately preceding financial year.

(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 p.m.) will be registered before entitlements.

Not applicable.

11. 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 as working capital is required for the Group's business activities.

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

The Group does not have a general mandate from shareholders for interested person transactions.

The Group has the following transaction with AnAn Group (Singapore) Pte Ltd (“AAG”), the immediate holding company in Q2 2024. The transaction was entered into between the Group’s wholly owned subsidiary Hong Kong China Energy Finance Service Co., Limited (“HKCEFS”) and AAG.

<u>Transaction</u>	<u>USD</u>
Amount hold on trust by HKCEFS for AAG	46,789

13. **Negative confirmation pursuant to Rule 705 (5)**

We, Zang Jian Jun and Siow Hung Jui, being two directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 June 2024 to be false or misleading in any material aspect.

14. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 under Rule720(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 under Rule 720(1) of the Listing Manual.

15. **Disclosure pursuant to Rule 706(A)**

There is no acquisition that requires disclosure pursuant to Rule 706(A) for this quarter of FY2024.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 14 August 2024