



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

**Condensed Interim Consolidated Financial Statements
For the Fourth Quarter and Full Year Ended 31 December 2022**

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 fourth quarter and full year ended 31 December 2022**

<u>Group</u>	Three months ended	Three months ended	Increase	Twelve months ended	Twelve months ended	Increase
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000	/(decrease) %	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000	/(decrease) %
Revenue	864,800	575,168	50	3,185,946	1,926,396	65
Cost of sales	(814,045)	(535,500)	52	(3,035,990)	(1,832,320)	66
Gross profit	50,755	39,668	28	149,956	94,076	59
Other operating income	289	214	35	861	401	115
Selling and distribution expenses	(22,136)	(17,276)	28	(72,832)	(61,226)	19
Administrative expenses	(1,440)	(1,511)	(5)	(4,663)	(4,764)	(2)
Other operating expenses	(4,528)	(9,070)	(50)	(6,378)	(10,075)	(37)
Finance expenses	(1,475)	(895)	65	(4,464)	(2,819)	58
Share of results of associates and joint ventures	563	162	248	1,260	1,065	18
Profit before income tax	22,028	11,292	95	63,740	16,658	283
Income tax expense	(7,888)	(2,867)	175	(20,032)	(4,856)	313
Profit for the period/year	14,140	8,425	68	43,708	11,802	270
Other comprehensive (loss)/income:						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	3,288	(1,455)	NM	(4,204)	(4,427)	(5)
Other comprehensive (loss)/income for the period/year, net of tax	3,288	(1,455)	NM	(4,204)	(4,427)	(5)
Total comprehensive income for the period/year	17,428	6,970	150	39,504	7,375	436
Profit attributable to:						
Owners of the Company	7,115	4,063	75	21,125	5,037	319
Non-controlling interests	7,025	4,362	61	22,583	6,765	234
Profit for the period/year	14,140	8,425	68	43,708	11,802	270
Total comprehensive income attributable to:						
Owners of the Company	13,316	3,244	310	17,612	2,470	613
Non-controlling interests	4,112	3,726	10	21,892	4,905	346
Total comprehensive profit for the period/year	17,428	6,970	150	39,504	7,375	436

**Condensed interim consolidated statements of financial position
As at 31 December 2022**

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	62,518	43,616	-	-
Right-of-use assets	4,313	5,659	-	-
Intangible assets	18,031	17,192	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	12,716	12,972	-	-
Investments in joint ventures	44,899	45,154	-	-
Available-for-sale financial assets	141	144	-	-
Deferred tax assets	1,294	1,371	-	-
Other receivables	1,283	1,279	-	-
Total non-current assets	145,195	127,387	50,000	50,000
Current assets:				
Inventories	107,088	106,221	-	-
Trade and other receivables	212,087	206,151	2	18
Amounts due from subsidiaries	-	-	29	29
Amounts due from related parties	23,806	21,728	-	-
Tax recoverable	-	805	-	-
Derivative financial assets	29	74	-	-
Cash and cash balance	10,829	10,367	-	-
Total current assets	353,839	345,346	31	47
Total assets	499,034	472,733	50,031	50,047
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	213,633	219,777	185	457
Derivative financial liabilities	110	60	-	-
Loans and borrowings	89,012	106,818	-	-
Lease liabilities	970	1,329	-	-
Amounts due to holding company	850	1,243	-	-
Amounts due to subsidiary company	-	-	1,663	1,176
Amounts due to related parties	64	15	-	-
Income tax payable	8,314	1,624	-	-
Total current liabilities	312,961	330,874	1,848	1,633
Non-current liabilities:				
Provisions	21,184	17,989	-	-
Lease liabilities	3,463	4,554	-	-
Deferred tax liabilities	2,757	4,701	-	-
Loans and borrowings	13,527	9,297	-	-
Other payables	2,091	1,771	-	-
Total non-current liabilities	43,022	38,312	-	-
Total liabilities	355,983	369,186	1,848	1,633
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(102,770)	(123,895)	(148,670)	(148,439)
Foreign currency translation reserve	(2,534)	979	-	-
	91,549	73,937	48,183	48,414
Non-controlling interests	51,502	29,610	-	-
Total equity	143,051	103,547	48,183	48,414
Total liabilities and equity	499,034	472,733	50,031	50,047

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 2022	545	196,308	(123,895)	979	73,937	29,610	103,547
Profit for the year, representing Total comprehensive income for the year	-	-	21,125	-	21,125	22,583	43,708
Exchange differences on translating foreign operations	-	-	-	(3,513)	(3,513)	(691)	(4,204)
Balance at 31 December 2022	545	196,308	(102,770)	(2,534)	91,549	51,502	143,051
At 1 January 2021	545	196,308	(128,932)	3,546	71,467	24,705	96,172
Profit for the year, representing Total comprehensive income for the year	-	-	5,037	-	5,037	6,765	11,802
Exchange differences on translating foreign operations	-	-	-	(2,567)	(2,567)	(1,860)	(4,427)
Balance at 31 December 2021	545	196,308	(123,895)	979	73,937	29,610	103,547

	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 2022	545	196,308	(148,439)	48,414
Loss for the year, representing total comprehensive loss for the financial year	-	-	(231)	(231)
Balance at 31 December 2022	545	196,308	(148,670)	48,183
At 1 January 2021	545	196,308	(147,707)	49,146
Loss for the year, representing total comprehensive loss for the financial year	-	-	(732)	(732)
Balance at 31 December 2021	545	196,308	(148,439)	48,414

Condensed interim consolidated statement of cash flows

<u>Group</u>	Three months ended 31 Dec 2022 US\$'000	Three months ended 31 Dec 2021 US\$'000	Twelve months ended 31 Dec 2022 US\$'000	Twelve months ended 31 Dec 2021 US\$'000
Operating activities				
Profit before income tax	22,028	11,292	63,740	16,658
Adjustment for:				
Depreciation and amortisation	2,603	3,405	8,543	10,071
(Gain)/Loss on disposal of property, plant and equipment	(189)	43	(103)	41
Fair value measurement on derivative instrument	707	(2,557)	95	(1,009)
Impairment of assets	932	-	932	-
Allowance for doubtful debts	506	97	764	(218)
Bad debt written-off	69	45	188	539
Interest expenses	818	463	2,331	1,410
Interest income	(284)	(83)	(583)	(222)
Share of results of associate and joint ventures	(563)	(164)	(1,260)	(1,065)
Exchange realignment	6,201	(3,644)	3,655	335
Operating cash flows before changes in working capital	32,828	8,897	78,302	26,540
Changes in working capital:				
Inventories	(21,849)	1,134	(3,004)	(30,649)
Trade and other receivables	43,801	29	(10,271)	(64,294)
Trade and other payables	(15,313)	(2,972)	1,984	53,546
Cash flows generated from/(used in) operations	39,467	7,088	67,011	(14,857)
Income taxes paid	(9,509)	(2,380)	(14,679)	(5,277)
Interest paid	(818)	(463)	(2,331)	(1,410)
Interest received	284	83	583	222
Net cash flows generated from/(used in) operating activities	29,424	4,328	50,584	(21,322)
Investing activities				
Cash outflow from acquisition of subsidiaries	(221)	(2,291)	(2,371)	(4,072)
Investment in available-for-sale assets	-	(9)	-	-
Proceeds from disposal of property, plant and equipment	14	100	166	6
Purchases of intangible assets, property, plant and equipment	(18,163)	(8,576)	(30,606)	(19,375)
Net cash flows used in investing activities	(18,370)	(10,776)	(32,811)	(23,441)
Financing activities				
Proceeds from/(repayment of) borrowings	(25,365)	7,127	2,118	20,722
Bank deposit from acquisition of subsidiaries	-	1,378	-	2,307
Repayment of lease liabilities	1,574	(756)	(1,552)	(2,058)
Proceeds from/(repayment to) holding company	-	370	-	370
Repayment of loan from minority shareholder	(444)	-	(444)	-
Repayment of loan from/(loan to) holding company	-	1,276	(393)	219
Advances to related companies/related parties	(9,120)	(10,671)	(2,466)	(21,349)
Net cash flows (used in)/generated from financing activities	(33,355)	(1,276)	(2,737)	211
Net (decrease)/increase in cash and cash equivalents	(22,301)	(7,724)	15,036	(44,552)
Cash and cash equivalents at the beginning of the period	(15,031)	(48,644)	(52,835)	(9,043)
Effect of exchange rate changes on cash and cash equivalents	(750)	3,533	(1,283)	760
Cash and cash equivalents at the end of the period	(38,082)	(52,835)	(39,082)	(52,835)
Cash and bank balance	10,829	10,367	10,829	10,367
Bank overdrafts	(48,911)	(63,202)	(48,911)	(63,202)
Cash and cash equivalents per consolidated statement of cash flows	(38,082)	(52,835)	(38,082)	(52,835)

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 three months ended 31 December 2022 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 year. 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 and revenue information

Revenue

	Three months ended 31 Dec 2022 US\$'000	Three months ended 31 Dec 2021 US\$'000	Twelve months ended 31 Dec 2022 US\$'000	Twelve months ended 31 Dec 2021 US\$'000
Distribution	864,310	574,704	3,184,660	1,925,400
Dividend income	490	464	1,286	996
	<u>864,800</u>	<u>575,168</u>	<u>3,185,946</u>	<u>1,926,396</u>

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 financial year ended 31 December 2022.

	<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
2022					
Revenue:					
External customers	3,184,660	-	-	-	3,184,660
Dividend income	1,286	-	-	-	1,286
Total revenue	3,185,946	-	-	-	3,185,946
Results:					
Segment results	69,331	(707)	(2,802)	537	66,359
Interest income	583	-	1	-	584
Finance expenses	(4,463)	(2)	1	-	(4,464)
Share of results of joint venture and associate	202	-	1,059	-	1,261
	65,653	(709)	(1,741)	537	63,740
Tax expense	(20,032)	-	-	-	(20,032)
Net profit/(loss) for the year	45,621	(709)	(1,741)	537	43,708
Segment assets:					
Segment assets	458,192	230	56,170	(74,466)	440,126
Investment in associates	10,286	-	4,346	(1,916)	12,716
Investment in joint ventures	11,924	-	26,554	6,421	44,899
Tax assets	-	-	-	1,293	1,293
Total assets	480,402	230	87,070	(68,668)	499,034
Segment liabilities:					
Segment liabilities	349,274	123,070	14,332	(141,764)	344,912
Tax liabilities	10,363	-	-	708	11,071
Total liabilities	359,637	123,070	14,332	(141,056)	355,983
Capital expenditure					
	30,606	-	-	-	30,606
Significant non-cash items:					
Depreciation and amortisation	8,307	45	191	-	8,543

	<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
2021					
Revenue:					
External customers	1,925,400	-	-	-	1,925,400
Dividend income	996	-	-	-	996
Total revenue	1,926,396	-	-	-	1,926,396
Results:					
Segment results	22,426	(782)	(4,455)	1,000	18,189
Interest income	203	-	19	-	222
Finance expenses	(2,804)	(13)	(1)	-	(2,818)
Share of results of joint venture and associate	222	-	843	-	1,065
	20,047	(795)	(3,594)	1,000	16,658
Tax expense	(4,856)	-	-	-	(4,856)
Net profit/(loss) for the year	15,191	(795)	(3,594)	1,000	11,802
Segment assets:					
Segment assets	428,662	12,494	55,951	(83,871)	413,236
Investment in associates	10,483	-	4,713	(2,224)	12,972
Investment in joint ventures	12,844	-	26,509	5,801	45,154
Tax assets	-	-	-	1,371	1,371
Total assets	451,989	12,494	87,173	(78,923)	472,733
Segment liabilities:					
Segment liabilities	366,490	123,189	13,846	(140,664)	362,861
Tax liabilities	5,574	-	-	751	6,325
Total liabilities	372,064	123,189	13,846	(139,913)	369,186
Capital expenditure					
	19,375	-	-	-	19,375
Significant non-cash items:					
Depreciation and amortisation	8,264	254	-	1,553	10,071

Geographical segments

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>2022</u> US\$'000	<u>2021</u> US\$'000	<u>2022</u> US\$'000	<u>2021</u> US\$'000
Europe	3,185,835	1,926,396	111,904	93,705
People's Republic of China	111	-	33,285	33,635
Singapore	-	-	6	47
	3,185,946	1,926,396	145,195	127,387

A breakdown of sales

	<u>Group</u>		
	<u>Year ended 31 Dec 2022</u> US\$'000	<u>Year ended 31 Dec 2021</u> US\$'000	<u>Increase/ (decrease)</u> %
Revenue reported for first half year	1,485,795	816,403	82
Net profit/(loss) after tax reported for first half year	16,608	(905)	(1,935)
Revenue reported for second half year	1,700,040	1,109,993	53
Net profit after tax reported for second half year	27,100	12,707	113

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

<u>Group</u>	Three months ended	Three months ended	Increase	Twelve months ended	Twelve months ended	Increase
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000	/(decrease) %	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000	/(decrease) %
(Gain)/Loss on disposal of property, plant and equipment	(17)	43	N.M	(103)	41	N.M
Interest income	(284)	(83)	242	(583)	(222)	163
Allowance on Impairment of property, plant and equipment	932	-	N.M	932	-	N.M
Depreciation and amortisation	2,603	3,405	(24)	8,543	10,071	(15)
Allowance /(Reversal of allowance) of trade debts	506	97	422	764	(218)	N.M
Bad debts written-off	69	45	53	188	539	(65)
Directors' fees	28	45	(38)	109	162	(33)
Finance expenses	1,475	898	64	4,464	2,819	58
Professional fees	602	706	(15)	1,482	1,952	(24)
Rental expenses	1,983	275	621	2,464	615	301
Staff costs (including key management personnel compensation)	12,621	9,641	31	40,233	33,456	20
Travelling expenses	190	162	17	593	646	(8)

F. Net assets value

	<u>Group</u>		<u>Company</u>	
	31 Dec 2022 US cents	31 Dec 2021 US cents	31 Dec 2022 US cents	31 Dec 2021 US cents
Net assets value per ordinary share	<u>2.163</u>	<u>1.747</u>	<u>1.138</u>	<u>1.144</u>

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$91,548,920 as at 31 December 2022 (31 December 2021: US\$73,936,572) and the Company's net assets of approximately US\$48,183,337 as at 31 December 2022 (31 December 2021: US\$48,413,777) and share capital of 4,233,185,850 shares (31 December 2021: 4,233,185,850 shares).

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

	<u>Unsecured</u>		<u>Secured</u>	
	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000	31 Dec 2022 US\$'000	31 Dec 2021 US\$'000
Amount payable in one year or less or on demand	6,192	6,298	82,820	101,849
Amount payable after one year	13,527	13,850	-	-

Details of any collateral

The secured borrowings of US\$82,819,036 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 31 December 2022, the Group has also given guarantees in the amount of US\$46.60 million as follows:

- i) Bank guarantees in the amount of US\$46.09 million to 9 oil product suppliers to secure certain favourable buying conditions and payment terms for 2 subsidiaries; and
- ii) Letter of support to banks in the amount of US\$0.51 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 31 December 2022 and 31 December 2021 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 31 December 2022 and 31 December 2021.

- 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.

The Company's auditor has completed audit of FY2018, FY2019 and FY2020 financial statements, Please refer to our announcement dated 23 September 2022 on updates of our auditors' comments. The audit qualification stated in FY2017 audited financial statements has been satisfactory resolved. For the qualified opinion in FY2018, FY2019 and FY2020 on non-compliance with International Accounting Standard (IAS) 36 *Impairment of Assets* for one of the investments in subsidiary, the Company will work for it to resolve this audit issue in subsequent year audit.

The Board confirmed that the impact of all outstanding audit issues on financial statements have been adequately disclosed.

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 2022.

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>			
	Three months ended		Twelve months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	US\$	US\$	US\$	US\$
Profit attributable to owners of the Company	7,115,277	4,063,361	21,125,226	5,037,131
Profit/(loss) per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	0.1681	0.0960	0.4990	0.1190
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	0.1681	0.0960	0.4990	0.1190
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

The Group's revenue in the fourth quarter of the year ("4Q 2022") increased to US\$864.80 million from US\$575.17 million in the fourth quarter of last year ("4Q 2021"), being a quarter to quarter ("Q-to-Q") increase of 50% . The Group's revenue increased by 65% from US\$1.93 billion for the financial year ended 31 December 2021 ("FY2021") to US\$3.19 billion for the financial year ended 31 December 2022 ("FY2022"). The increase in the revenue for both 4Q 2022 and FY2022 as compared to the corresponding periods in 2021 were mainly due to the significant increase of the sale volume as a result of surge in demand during market condition of increasing fuel price of which caused by Russia-Ukraine war in the end of February 2022. As such, it could be an exceptional market condition for 4Q 2022 and FY2022 and may not be continuing in the future.

The cost of sales has increased to US\$3.04 billion in FY2022, an increase of 66% from US\$1.83 billion in FY2021, which was in line with the increase in revenue. However, the gross profit margin has decreased slightly from 4.9% in FY2021 to 4.7% in FY2022, which was mainly due to the stiffer market competition faced by the Dyneff Group.

Other operating income of US\$0.29 million for 4Q 2022 was an 35% increase as compared to US\$0.21 million in 4Q 2021 was mainly due to higher interest income during 4Q 2022. Other operating income for FY2022 and FY2021 were US\$0.86 million and US\$0.40 million respectively, an increase of US\$0.46 million was mainly a result of increase in interest income of US\$0.36 million as well as increase in gain on disposal of property, plant and equipment of US\$0.10 million.

Selling and distribution expenses increased by 28% from US\$17.28 million in 4Q 2021 to US\$22.14 million in 4Q 2022. It also increased by 19% million from US\$61.23 million in FY2021 to US\$72.83 million in FY2022. The overall increase of US\$11.61 million in FY2022 was mainly due to higher staff costs of US\$6.66 million from salary increment and increased headcounts; higher rental of oil distribution equipment of US\$1.83 million; insurance and office supplies of US\$0.24 million; other expenses of US\$1.27 million due to repairs and maintenance of the oil distribution equipment; utilities of US\$0.15 million and taxes of US\$1.44 million. The selling and distribution expenses were not in correlation to the Group's revenue as the significant fixed staff costs does not fluctuate according to the revenue generated.

Administrative expenses remained constant as compared to FY2021.

Other operating expenses in 4Q 2022 and FY2022 were US\$4.53 million and US\$6.38 million respectively, as compared to US\$9.07 million in 4Q 2021 and US\$10.08 million in FY2021. The decrease of US\$3.70 million in FY2022 was mainly due to lesser accruals of trading loss in FY2022 of US\$4.29 million, partially net off by the increase of provision for bad and doubtful debts of US\$0.63 million in FY2022.

Finance expenses increased from US\$0.90 million in 4Q 2021 to US\$1.48 million in 4Q 2022 and US\$2.82 million in FY2021 to US\$4.46 million in FY2022 due to higher interest expenses from bank borrowings and bank commissions incurred by Dyneff Group.

The share of profits of associates and joint ventures was US\$0.56 million in 4Q 2022 as compared to US\$0.16 million in 4Q 2021. This increase in 4Q 2022 was mainly due to the increase in share of profits in associates and joint ventures in China and France of US\$0.40 million. Overall, the share of profits of associates and joint ventures has steadily increased from US\$1.07 million in FY2021 as compared to US\$1.26 million in FY2022.

Income tax expenses for FY2022 increased by 313% from US\$4.86 million in FY2021 to US\$20.03 million in FY2022 was in line with the higher profit made by the distribution business in France and Spain.

The Group recorded a net profit of US\$14.14 million for 4Q 2022 and US\$43.71 million for FY2022 as compared to a net profit of US\$8.43 million for 4Q 2021 and US\$11.80 million for FY2021. These were attributable to the increase in revenue by the distribution business, partially offset by the increase of overall selling and distribution, operating and finance expenses.

Review of the Group's financial position

The Group's non-current assets stand at US\$145.20 million as at 31 December 2022 compared to US\$127.39 million as at 31 December 2021, and comprised property, plant and equipment of US\$62.52 million, right-of-use assets of US\$4.31 million, intangible assets of US\$18.03 million, investments in associates and joint ventures of US\$57.62 million, available-for-sale financial assets of US\$0.14 million, deferred tax assets of US\$1.29 million and other receivables of US\$1.28 million. The increase of US\$17.81 million was mainly attributable to Dyneff Group's addition of the intangible assets, property, plant and equipment of US\$30.61 million, offset by the depreciation and amortisation of US\$8.54 million and impairment of assets of US\$0.9 million.

The current assets stood at US\$353.84 million as 31 December 2022 compared to US\$345.35 million as at 31 December 2021. Overall, the increase of US\$8.49 million in current assets was from the increase of US\$0.80 million in inventories, US\$5.94 million in trade and other receivables, US\$2.08 million in amount due from related companies, US\$0.46 million in cash at bank and offset by the decrease of US\$0.80 million in tax recoverable. The increase in trade receivables and inventories were in line with the higher sales and the debtor-sales outstanding ratio remained between 20 to 25 days. The increase in amount due from related parties of US\$2.08 million was the advances provided by Dyneff SAS to one joint venture, which was in the midst of obtaining long term financing, for the capital expenditure requirements. The decrease in tax recoverable was due to tax refund received from tax authority in Singapore.

The decrease of US\$17.91 million in current liabilities was mainly due to decrease of US\$6.14 million in trade and other payables, decrease of US\$17.81 million in short-term borrowings, partially offset by the increase of US\$6.69 million in income tax payable. The lower trade and other payables and borrowings were mainly attributable to repayments of trade payables and short-term borrowings. The increase of US\$4.71 million in non-current liabilities was mainly due to the increase in non-current loans and borrowings of US\$4.23 million, increase in provisions of US\$3.20 million, offset by the decrease in lease liabilities of US\$1.09 million and decrease of deferred tax liabilities of US\$1.94 million.

Overall, the Group's net assets stood at US\$91.55 million as at 31 December 2022, or 2.16 US cents per share, compared to US\$73.94 million as at 31 December 2021 or 1.75 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows generated from operating activities of US\$29.42 million in 4Q 2022, as compared to US\$4.33 million in 4Q 2021. This increase in cash flow generated from operating activities was mainly attributable to higher inflow of cash generated from trade and other receivables, offset by the increase in cash used in inventories and trade and other payables. The higher net cash flows generating from operating activities of US\$50.58 million in FY2022, as compared net cash flows used in operating activities of US\$21.32 million in FY2021 was mainly due to the higher cash inflow from trade and other receivables, partially offset by the increase in tax paid, lower cash outflow from inventories and trade and other payables.

The net cash flows used in investing activities of US\$18.37 million and US\$32.81 million in 4Q 2022 and FY2022 respectively as compared to US\$10.78 million and US\$23.44 million in 4Q 2021 and FY2021 respectively was mainly due to purchases of intangible assets and property, plant and equipment and acquisition of the subsidiaries by our Group in France.

The net cash flows used in financing activities of US\$33.36 million in 4Q 2022, as compared to net cash flows used in financing activities of US\$1.28 million in 4Q 2021 was mainly attributable to higher outflow in advances to related parties and higher repayment of borrowings. The net cash flows used in financing activities was US\$2.74 million in FY2022, as compared to net cash flows generated from financing activities of US\$0.21 million in FY2021 was mainly due to lower inflow from borrowings, repayment of amount hold on trust for ultimate holding company and full settlement of loan from minority shareholder.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$10.83 million and bank overdrafts of US\$48.91 million as at 31 December 2022.

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 main revenue is derived from Dyneff Group in France and Spain currently. The Group will continue to seek organic growth and diversification into other natural energy while remaining cautious with the uncertainty in the economic outlook due to Covid-19.

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 transactions with AnAn Group (Singapore) Pte Ltd ("AAG"), the immediate holding company in 2022. The transactions were entered into between the Group's wholly owned subsidiaries Singapore Anan Petrochemical & Energy Pte. Ltd. ("SPE") and Hong Kong China Energy Finance Service Co., Limited ("HKCEFS") and AAG.

<u>Transactions</u>	<u>USD</u>
Expenses paid on behalf of AAG by SPE	626
Amount hold on trust by HKCEFS for AAG	46,789

13. 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.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to the Section 7 of this announcement.

15. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Latest Full Year	Previous Full Year
	US\$'000	US\$'000
Ordinary	-	-
Preference	-	-

16. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), there is no person occupying a managerial position in the Group or the Company or any of its principal subsidiaries who is a relative of the director or chief executive officer or substantial shareholder.

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

There is no acquisition that requires disclosure pursuant to Rule 706(A) for this quarter of FY2022.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 24 February 2023