



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 Nine Months Period Ended 30 September 2023**

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**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the nine months period ended 30 September 2023**

<u>Group</u>	Three months ended	Three months ended	Increase	Nine months ended	Nine months ended	Increase
	30 Sep 2023 US\$'000 (Unaudited)	30 Sep 2022 US\$'000 (Unaudited)	/(decrease) %	30 Sep 2023 US\$'000 (Unaudited)	30 Sep 2022 US\$'000 (Unaudited)	/(decrease) %
Revenue	687,109	835,351	(18)	1,931,606	2,321,146	(17)
Cost of sales	(656,269)	(795,792)	(18)	(1,849,755)	(2,221,945)	(17)
Gross profit	30,840	39,559	(22)	81,851	99,201	(17)
Other operating income	659	454	45	5,376	572	840
Selling and distribution expenses	(20,273)	(17,583)	15	(58,501)	(50,696)	15
Administrative expenses	(974)	(1,103)	(12)	(3,400)	(3,223)	5
Other operating expenses	(565)	(1,489)	(62)	(5,078)	(1,850)	174
Finance expenses	(2,414)	(1,120)	116	(5,238)	(2,989)	75
Share of results of associates and joint ventures	228	139	64	1,148	697	65
Profit before income tax	7,501	18,857	(60)	16,158	41,712	(61)
Income tax expenses	(2,455)	(5,897)	(58)	(5,031)	(12,144)	(59)
Profit for the period	5,046	12,960	(61)	11,127	29,568	(62)
Other comprehensive loss:						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(3,124)	(6,782)	(54)	(1,237)	(7,492)	(83)
Other comprehensive loss for the period	(3,124)	(6,782)	(54)	(1,237)	(7,492)	(83)
Total comprehensive income for the period	1,922	6,178	(69)	9,890	22,076	(55)
Profit attributable to:						
Owners of the Company	2,598	5,952	(56)	4,762	14,010	(66)
Non-controlling interests	2,448	7,008	(65)	6,365	15,558	(59)
Profit for the period	5,046	12,960	(61)	11,127	29,568	(62)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(745)	(33)	2,158	3,402	4,296	(21)
Non-controlling interests	2,667	6,211	(57)	6,488	17,780	(64)
Total comprehensive income for the period	1,922	6,178	(69)	9,890	22,076	(55)

**Condensed interim consolidated statements of financial position
As at 30 September 2023**

	<u>Group</u>		<u>Company</u>	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	80,873	62,518	-	-
Right-of-use assets	3,698	4,313	-	-
Intangible assets	23,864	18,031	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	7,950	12,716	-	-
Investments in joint ventures	45,824	44,899	-	-
Available-for-sale financial assets	204	141	-	-
Deferred tax assets	1,278	1,294	-	-
Other receivables	1,393	1,283	-	-
Total non-current assets	165,084	145,195	50,000	50,000
Current assets:				
Inventories	134,160	107,088	-	-
Trade and other receivables	255,270	212,087	14	2
Amounts due from subsidiaries	-	-	29	29
Amounts due from related parties	23,699	23,806	-	-
Tax recoverable	4,039	-	-	-
Derivative financial assets	-	29	-	-
Cash and cash balance	18,590	10,829	-	-
Total current assets	435,758	353,839	43	31
Total assets	600,842	499,034	50,043	50,031
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	271,472	213,633	143	185
Derivative financial liabilities	3,084	110	-	-
Loans and borrowings	132,012	89,012	-	-
Lease liabilities	1,023	970	-	-
Amounts due to holding company	849	850	-	-
Amounts due to subsidiary company	-	-	1,705	1,663
Amounts due to related parties	23	64	-	-
Income tax payable	-	8,314	-	-
Total current liabilities	408,471	312,961	1,848	1,848
Non-current liabilities:				
Provisions	20,694	21,184	-	-
Lease liabilities	2,799	3,463	-	-
Deferred tax liabilities	3,067	2,757	-	-
Loans and borrowings	11,904	13,527	-	-
Other payables	3,654	2,091	-	-
Total non-current liabilities	42,118	43,022	-	-
Total liabilities	450,589	355,983	1,848	1,848
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(98,008)	(102,770)	(148,658)	(148,670)
Foreign currency translation reserve	(3,894)	(2,534)	-	-
	94,951	91,549	48,195	48,183
Non-controlling interests	55,302	51,502	-	-
Total equity	150,253	143,051	48,195	48,183
Total liabilities and equity	600,842	499,034	50,043	50,031

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 2023	545	196,308	(102,770)	(2,534)	91,549	51,502	143,051
Profit for the period	-	-	4,762	-	4,762	6,365	11,127
Exchange differences on translating foreign operations	-	-	-	(1,360)	(1,360)	123	(1,237)
Dividend paid	-	-	-	-	-	(2,688)	(2,688)
Balance at 30 September 2023	545	196,308	(98,008)	(3,894)	94,951	55,302	150,253
At 1 January 2022	545	196,308	(123,895)	979	73,937	29,610	103,547
Profit for the period	-	-	14,010	-	14,010	15,558	29,568
Exchange differences on translating foreign operations	-	-	-	(9,714)	(9,714)	2,222	(7,492)
Balance at 30 September 2022	545	196,308	(109,885)	(8,735)	78,233	47,390	125,623

	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 2023	545	196,308	(148,670)	48,183
Profit for the period, representing total comprehensive income for the period	-	-	12	12
Balance at 30 September 2023	545	196,308	(148,658)	48,195
At 1 January 2022	545	196,308	(148,439)	48,414
Loss for the period, representing total comprehensive loss for the period	-	-	(182)	(182)
Balance at 30 September 2022	545	196,308	(148,621)	48,232

Condensed interim consolidated statement of cash flows

<u>Group</u>	Three months ended 30 Sep 2023 US\$'000 (Unaudited)	Three months ended 30 Sep 2022 US\$'000 (Unaudited)	Nine months ended 30 Sep 2023 US\$'000 (Unaudited)	Nine months ended 30 Sep 2022 US\$'000 (Unaudited)
Operating activities				
Profit before income tax	7,501	18,857	16,158	41,712
Adjustment for:				
Depreciation and amortisation	3,161	2,214	8,492	5,940
(Gain)/loss on disposal of property, plant and equipment	(23)	42	(38)	86
Loss on disposal of a subsidiary	-	-	1,106	-
Fair value measurement on derivative instrument	3,736	(1,165)	3,002	(612)
Allowance for trade debts	68	171	4,726	258
Bad debts written-off	71	26	178	119
Interest expenses	1,582	627	3,512	1,513
Interest income	(594)	(71)	(1,760)	(299)
Share of results of associate and joint ventures	(228)	(139)	(1,148)	(697)
Exchange realignment	(181)	(6,583)	1,086	(2,646)
Operating cash flows before changes in working capital	15,093	13,979	35,314	45,374
Changes in working capital:				
Inventories	(39,168)	14,570	(25,289)	18,845
Trade and other receivables	(26,517)	(22,333)	(44,650)	(54,072)
Trade and other payables	17,663	6,562	52,121	17,297
Cash flows (used in)/generated from operations	(32,929)	12,778	17,496	27,444
Income taxes (paid)/received	590	(966)	(14,322)	(5,170)
Interest paid	(1,582)	71	(3,512)	299
Interest received	594	(627)	1,760	(1,513)
Net cash flows (used in)/generated from operating activities	(33,327)	11,256	1,422	21,060
Investing activities				
Cash outflow from acquisition of a subsidiary	(4,076)	-	(5,921)	(2,150)
Proceeds from disposal of a subsidiary	21	-	3,466	-
Proceeds from disposal of property, plant and equipment	84	56	129	152
Investment in available-for-sale assets	-	-	-	-
Purchases of intangible assets, property, plant and equipment	(7,993)	880	(28,260)	(12,443)
Net cash flows generated from/(used in) investing activities	(11,964)	936	(30,586)	(14,441)
Financing activities				
Proceeds from borrowings	35,419	3,151	36,742	27,483
Repayment of lease liabilities	(455)	(171)	(973)	(3,126)
Repayment of loan from holding company	-	(1)	(1)	(393)
Proceeds from/(repayment to) related companies/related parties	2,169	3,784	461	6,654
Dividend paid to non-controlling interests	(2,688)	-	(2,688)	-
Net cash flows generated from financing activities	34,445	6,763	33,541	30,618
Net (decrease)/increase in cash and cash equivalents	(10,846)	18,955	4,377	37,237
Cash and cash equivalents at the beginning of the period	(23,137)	(34,366)	(38,082)	(52,835)
Effect of exchange rate changes on cash and cash equivalents	(338)	(720)	(316)	217
Cash and cash equivalents at the end of the period	(34,321)	(16,131)	(34,021)	(15,381)
Cash and bank balance	18,590	12,734	18,590	12,734
Bank overdrafts	(52,911)	(28,865)	(52,911)	(28,865)
Cash and cash equivalents per consolidated statement of cash flows	(34,321)	(16,131)	(34,321)	(16,131)

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 nine months ended 30 September 2023 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. The Group's profit (loss) before income tax is arrived at after charging / (crediting):

<u>Group</u>	Three months ended	Three months ended	Increase /(decrease) %	Nine months ended	Nine months ended	Increase /(decrease) %
	30 Sep 2023 US\$'000 (Unaudited)	30 Sep 2022 US\$'000 (Unaudited)		30 Sep 2023 US\$'000 (Unaudited)	30 Sep 2022 US\$'000 (Unaudited)	
(Gain)/Loss on disposal of property, plant and equipment	(23)	(49)	(53)	(38)	(86)	(56)
Interest income	(594)	(139)	327	(1,760)	(299)	489
Loss on disposal of a subsidiary	-	-	-	1,106	-	N.M
Depreciation and amortisation	3,161	5,359	(41)	8,492	5,940	43
Allowance for trade debts	68	266	(74)	4,726	258	1,732
Bad debts written-off	71	66	8	178	119	50
Directors' fees	28	54	(48)	83	81	2
Finance expenses	2,414	2,308	5	5,238	2,989	75
Professional fees	469	733	(36)	1,820	880	107
Rental expenses	2,208	3,147	(30)	6,302	4,694	34
Staff costs (including key management personnel compensation)	10,524	17,470	(40)	31,088	27,612	13
Travelling expenses	195	265	(26)	705	403	75

E. Net assets value

	<u>Group</u>		<u>Company</u>	
	30 Sep 2023 US cents	31 Dec 2022 US cents	30 Sep 2023 US cents	31 Dec 2022 US cents
Net assets value per ordinary share	<u>2.243</u>	<u>2.163</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\$94,950,362 as at 30 September 2023 (31 December 2022: US\$91,548,920) and the Company's net assets of approximately US\$48,194,871 as at 30 September 2023 (31 December 2022: US\$48,183,337) and share capital of 4,233,185,850 shares (31 December 2022: 4,233,185,850 shares).

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2023 US\$'000	31 Dec 2022 US\$'000	30 Sep 2023 US\$'000	31 Dec 2022 US\$'000
Amount payable in one year or less or on demand	6,549	6,192	125,463	82,820
Amount payable after one year	11,904	13,527	-	-

Details of any collateral

The secured borrowings of US\$125,463,371 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 September 2023, the Group has also given guarantees in the amount of US\$47.74 million as follows:

- i) Bank guarantees in the amount of US\$47.45 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\$0.29 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 September 2023 and 31 December 2022 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 September 2023 and 31 December 2022.

- 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 FY2021 financial statements, Please refer to our announcement dated 12 June 2023 on updates of our auditors' comments. The previous audit qualification stated in FY2018, FY2019, FY2020 audited financial statements has been satisfactory resolved. For the qualified opinion in FY2021 on energy certificate inventory and equity investment at fair value through other comprehensive income, the Company will work for it to resolve these audit issues in subsequent year audit.

The indicative timeline for the audit of the financial statements of FY2022 is to be completed on or by 30 November 2023. 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 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.

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		Nine months ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	US\$	US\$	US\$	US\$
Profit/(Loss) attributable to owners of the Company	2,597,853	11,076,307	4,761,673	14,009,949
Profit/(Loss) per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	0.061	0.262	0.112	0.331
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	0.061	0.262	0.112	0.331
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 third quarter of the year ("**3Q 2023**"), the Group's revenue decreased by 18% on quarter to quarter ("**Q-to-Q**") to US\$687.11 million from US\$835.35 million in the third quarter of last year ("**3Q 2022**"). It also decreased by 17% from US\$2,321.15 million for the nine months ended 30 September 2022 ("**9M 2022**") to US\$1,931.61 million for the nine months ended 30 September 2023 ("**9M 2023**"). The Group's revenue was derived from the Group's fuel distribution business in France and Spain ("Dyneff Group"). The decrease in the revenue for both 3Q 2023 and 9M 2023 as compared to the corresponding periods in 2022 were mainly due to the decrease of the sale volume as a result of back to normal demand compared to surge in demand during market condition of increasing fuel price of which caused by Russia-Ukraine war started in 2022.

The costs of sales were decreased to US\$1,849.76 million in 9M 2023, a decrease of 17% from US\$2,221.95 million in 9M 2022, which was in line with the decrease in revenue.

Gross profits were decreased to US\$30.84 million in 3Q 2023, a decrease of 22% from US\$39.56 million in 3Q 2022. It also decreased by 82% from US\$99.20 million in 9M 2022 to US\$81.85 million in 9M 2023, both decreases were mainly attributable to the decrease in sales volume and slight decline in gross profits margin by 0.03% from 4.27% in 9M 2022 to 4.24% in 9M 2023 by Dyneff Group as a result of abovementioned particular market condition and competition.

Other operating income was increased to US\$0.66 million in 3Q 2023 compared to US\$0.45 million in 3Q 2022 was mainly due to higher interest income earned from loan to joint ventures of USD\$0.21 million from Dyneff Group in 3Q 2023. Other operating income for 9M 2023 and 9M 2022 were US\$5.38 million and US\$0.57 million respectively, an increase of US\$4.81 million also mainly due to penalties imposed on a contracted customer in France amounted to US\$3.1 million in 2Q 2023 and abovementioned factor in 3Q 2023.

Selling and distribution expenses increased by 15% from US\$17.58 million in 3Q 2022 to US\$20.27 million in 3Q 2023. It also increased by 15% from US\$50.70 million in 9M 2022 to US\$58.50 million in 9M 2023. The overall increase of US\$7.80 million was mainly due to higher staff costs of US\$3.88 million from salary increment and increased headcounts, higher in depreciation expenses of US\$1.65 million as a result of purchase of property, plant and equipment, and the higher rental of oil distribution equipment of US\$1.57 million.

Administrative expenses decreased by 12% from US\$1.1 million in 3Q 2022 to US\$0.97 million in 3Q 2023. The decrease was mainly due to decrease of US\$0.25 million in staffs related costs from a disposed China subsidiary and offset by the increase of US\$0.16 million in professional fees and consultancy fees incurred in 3Q 2023 compared to 3Q 2022 by the Group for due-diligence work conducted for potential acquisition projects.

Other operating expenses was decreased from US\$1.49 million in 3Q 2022 to US\$0.57 million in 3Q 2023 as result of the exchange gain due to EUR strengthen against USD. However, the overall other operating expenses increased by 174% from US\$1.85 million in 9M 2022 to US\$5.08 million in 9M 2023 was mainly due to the increase of provision for bad and doubtful debts of US\$3.83 million made in 2Q 2023 as a result of non-payment for several gas deliveries by a contract customer of Dyneff Group.

Finance expenses increased by 116% from US\$1.12 million in 3Q 2022 to US\$2.41 million in 3Q 2023. It also increased by 75% from US\$2.99 million in 9M 2022 to US\$5.24 million in 9M 2023. 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 64% from US\$0.14 million in 3Q 2022 to US\$0.23 million in 3Q 2023. It also increased by 65% from US\$0.70 million in 9M 2022 to US\$1.15 million in 9M 2023. This overall increase was mainly due to the increase in share of profits of a China joint venture of US\$0.45 million as a result of strong oil storage lease demand from customers in 3Q 2023.

Income tax expense incurred of US\$2.46 million and US\$5.03 million in 3Q 2023 and 9M 2023 respectively, compared to income tax expense of US\$5.90 million in 3Q 2022 and US\$12.14 million in 9M 2022, were mainly due to the lower profits generated by the Group in 3Q 2023 and 9M 2023 compared to 3Q 2022 and 9M 2022.

The Group recorded a net profit of US\$5.05 million and US\$11.13 million in 3Q 2023 and 9M 2023 respectively, compared to a higher net profit of US\$12.96 million and US\$29.57 million in 3Q 2022 and 9M 2022 respectively. These were attributable to the decrease in revenue by the fuel distribution business and the increase of overall selling and distribution, and finance expenses.

Review of the Group's financial position

The Group's non-current assets stand at US\$165.08 million as at 30 September 2023 compared to US\$145.20 million as at 31 December 2022, and comprised property, plant and equipment of US\$80.87 million, right-of-use assets of US\$3.70 million, intangible assets of US\$23.86 million, investments in associates and joint ventures of US\$53.78 million, available-for-sale financial assets of US\$0.20 million, deferred tax assets of US\$1.28 million and other receivables of US\$1.39 million. The increase of US\$19.88 million was mainly attributable to Dyneff Group's addition of the property, plant and equipment of US\$27.56 million, the intangible assets of US\$6.27 million, offset by the depreciation and amortisation of US\$8.49 million and disposal of investment in associates of US\$4.76 million of which wholly-owned by a subsidiary in China which was disposed during the reporting period.

The current assets stood at US\$435.76 million as at 30 September 2023 compared to US\$353.84 million as at 31 December 2022. Overall, the increase of US\$81.92 million in current assets was from the increase of US\$43.18 million in trade and other receivables, US\$27.07 million in inventories, US\$7.76 million in cash and cash balance, US\$4.04 million in tax recoverable and offset by the decrease of US\$0.11 million in amount due from related parties. The increase in trade receivables was mainly due to higher sales at the end of September 2023 and the debtor-sales outstanding ratio remained between 20 to 25 days. The increase in inventories was mainly due to more purchases of inventories at the end of September 2023 to meet foreseeable increase in demand from the customers at four quarter of 2023. The increase in cash and cash balance was due to collection of sales proceeds from disposal of a subsidiary in China and the increase in tax receivable was mainly due to more tax paid in advance by the Dyneff Group. The decrease in the amount due from related parties was the repayment of 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 increase of US\$95.51 million in current liabilities was mainly due to an increase of US\$57.84 million in trade and other payables and US\$43 million in short-term loans and borrowings, partially offset by decrease of US\$8.31 million in income tax payable. The higher trade and other payables were mainly attributable to the resume of normal credit terms compared to shorter payment periods requested by the suppliers as at 31 December 2022. The increase in short-term loan and borrowings was mainly the proceeds drawn from borrowings to meet the working capital requirements. The decrease in income tax payables were mainly as result of repayments to tax authority. The slight decrease of US\$0.90 million in non-current liabilities was mainly due to the decrease in of loans and borrowings and lease liabilities of US\$1.62 million and US\$0.66 million respectively because of repayments and partially offset by the increase in other payables of US\$1.56 million.

Overall, the Group's net assets stood at US\$94.95 million as at 30 September 2023, or 2.24 US cents per share, compared to US\$91.55 million as at 31 December 2022 or 2.16 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows used in operating activities of US\$33.33 million in 3Q 2023, as compared to net cash flows generated from operating activities of US\$11.26 million in 3Q 2022. This cash flow used in operating activities was mainly caused by lower revenues, higher trade receivables and higher purchase of inventories in 3Q 2023.

The net cash flows used in investing activities of US\$11.96 million in 3Q 2023 as compared to net cash flows generated from investing activities of US\$0.94 million in 3Q 2022 was mainly due to purchases of intangible assets and property, plant and equipment and acquisition of 1 subsidiary in 3Q 2023 by our Dyneff Group in France.

The net cash flows generated from financing activities of US\$34.45 million in 3Q 2023 as compared to US\$6.76 million in 3Q 2022 was mainly attributable to higher proceeds drawn from the borrowings in 3Q 2023 to meet the working capital requirements and dividend payment to non-controlling interests.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$18.59 million and bank overdrafts of US\$52.91 million as at 30 September 2023.

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 Q3 2023. The transactions were entered into between the Group's wholly owned subsidiary Hong Kong China Energy Finance Service Co., Limited ("HKCEFS") and AAG.

Transactions

Amount hold on trust by HKCEFS for AAG

USD

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 September 2023 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)

The Company had on 20 March 2023 announced that the Company's wholly-owned subsidiary, Hong Kong China Energy Finance Service Co., Limited, has on 17 March 2023 entered into an equity transfer agreement for the proposed disposal of 100% equity interest of the following entity:

Name	:	Shanghai Dajiang Shenyuan Equity Investment Fund Management Co., Ltd
Principal Activity	:	Equity trust investment and consultancy services
Country of incorporation	:	People's Republic of China
Paid-up Capital	:	RMB 27,940,799
Adjusted net asset value as at 31 March 2023	:	RMB 32,493,377
The Consideration	:	RMB 25,000,000
The Consideration will be satisfied or paid in the following four (4) tranches:-	:	<ol style="list-style-type: none">1.1 an amount of RMB 7,500,000 representing 30% of the Consideration shall be paid within five (5) business days of the fulfilment of the First Tranche Conditions (as defined below);1.2 an amount of RMB 5,000,000 representing 20% of the Consideration shall be paid within five (5) business days of the fulfilment of the Second Tranche Conditions (as defined below);1.3 an amount of RMB 5,000,000 representing 20% of the Consideration shall be paid within five (5) business days of the fulfilment of the Third Tranche Conditions (as defined below); and1.4 the balance amount of RMB 7,500,000 representing 30% of the Consideration shall be paid within five (5) business days of the fulfilment of the Fourth Tranche Conditions (as defined below).
Completion is conditional upon, amongst other things:	:	<ol style="list-style-type: none">2.1 the Target and Purchaser obtaining the necessary corporate authorisations in connection with the Proposed Transaction and the satisfactory legal, financial and business due diligence of the Purchaser (the "First Tranche Conditions");2.2 the signing and delivery of the necessary documents to effect the Proposed Transaction (the "Second Tranche Conditions");2.3 the Purchaser completing the application for the industrial and commercial registration of the Purchaser as a new shareholder of the Target, obtaining a new business licence for the Target and effecting the change of tax registration of the Target (the "Third Tranche Conditions"); and2.4 the industrial and commercial registration having completed for three (3) months without any tax arrears, penalties and debt recourse. In the event of any overdue taxes, penalties and debt recourse, the Purchaser has the right to use the balance to offset the balance amount to be paid to the Seller (the "Fourth Tranche Conditions").

The impact of the above disposal that would have on the Group's results is also disclosed in the announcement on 20 March 2023.

The Company had on 3 August 2023 announced that the all the conditions precedent to the above proposed disposal has been fulfilled, full consideration has been received and the proposed disposal has been completed on 2 August 2023.

The Company had on 26 July 2023 announced that the Company's French Subsidiary, Dyneff SAS, has entered into a share purchase agreement on 25 July 2023 for the proposed acquisition of 100% equity interest of the following entity:

Name	:	CPA SAS
Principal Activity	:	Wholesale distribution of refined petroleum products
Country of incorporation	:	France
Paid-up Capital	:	EUR 2,035,998
Net asset value as at 31 December 2022	:	EUR 5,822,384
Number of share(s)	:	565,555 ordinary shares
Consideration	:	EUR 9,411,247

The Company had on 3 September 2023 announced that the Company's French Subsidiary, Dyneff SAS, has entered into a share purchase agreement on 31 August 2023 for the proposed acquisition of 100% equity interest of the following entity:

Name	:	France Habitat Enr SAS
Principal Activity	:	Installation of photovoltaic solar panels
Country of incorporation	:	France
Paid-up Capital	:	EUR 30,000
Net asset value as at 31 December 2022	:	EUR 452,437
Number of share(s)	:	1,000 ordinary shares
Consideration	:	EUR 6,076,006

The impact of the above acquisitions that would have on the Group's results is also disclosed in the announcement on 26 July 2023 and 3 September 2023.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 10 November 2023