



**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 Three Months Period Ended 31 March 2024**

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**Condensed interim consolidated statement of profit or loss and other comprehensive income**  
**For the three months period ended 31 March 2024**

<u>Group</u>	Three months ended	Three months ended	Increase
	31 Mar 2024 US\$'000	31 Mar 2023 US\$'000	/(decrease) %
Revenue	562,750	652,278	(14)
Cost of sales	(543,001)	(627,483)	(13)
<b>Gross profit</b>	19,749	24,795	(20)
Other income	366	588	(38)
Selling and distribution expenses	(23,489)	(17,808)	32
Administrative expenses	(1,034)	(1,230)	(16)
Other operating income	617	320	93
Net impairment loss on receivables	(113)	(882)	(87)
Bad debt written off	-	(55)	N.M.
Finance expenses	(2,332)	(1,253)	86
Share of results of associates and joint ventures	1,005	813	24
<b>(Loss) / Profit before tax</b>	(5,231)	5,288	(199)
Income tax credit / (expense)	1,138	(1,033)	N.M.
<b>(Loss) / Profit for the period</b>	(4,093)	4,255	N.M.
<b>Other comprehensive income:</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Currency translation differences arising from consolidation	4,435	1,826	143
<b>Other comprehensive income for the period, net of tax</b>	4,435	1,826	143
<b>Total comprehensive income for the period</b>	342	6,081	N.M.
<b>(Loss) / Profit attributable to:</b>			
Owners of the Company	(2,165)	1,473	(247)
Non-controlling interests	(1,928)	2,782	(169)
<b>(Loss) / Profit for the period</b>	(4,093)	4,255	(196)
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the Company	1,967	3,389	(42)
Non-controlling interests	(1,625)	2,692	N.M.
<b>Total comprehensive income for the period</b>	342	6,081	(94)

N.M – Not Meaningful

**Condensed interim consolidated statements of financial position  
As at 31 March 2024**

	<u>Group</u>		<u>Company</u>	
	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	84,498	86,238	-	-
Right-of-use assets	4,672	4,729	-	-
Intangible assets	31,462	27,173	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	8,256	8,132	-	-
Investments in joint ventures	45,983	46,232	-	-
Available-for-sale financial assets	418	362	-	-
Deferred tax assets	1,368	1,334	-	-
Other receivables	1,340	1,484	-	-
<b>Total non-current assets</b>	<b>177,997</b>	<b>175,684</b>	<b>50,000</b>	<b>50,000</b>
<b>Current assets:</b>				
Inventories	94,543	106,345	-	-
Trade and other receivables	214,340	218,355	32	30
Amounts due from subsidiaries	-	-	-	-
Amounts due from related parties	13,728	13,180	-	-
Tax recoverable	3,686	4,548	-	-
Derivative financial assets	37	371	-	-
Cash and cash equivalents	14,151	49,152	-	-
<b>Total current assets</b>	<b>340,485</b>	<b>391,951</b>	<b>32</b>	<b>30</b>
<b>Total assets</b>	<b>518,482</b>	<b>567,635</b>	<b>50,032</b>	<b>50,030</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Provisions	8	8	-	-
Trade and other payables	238,219	234,368	117	147
Derivative financial liabilities	694	551	-	-
Loans and borrowings	78,248	126,382	-	-
Lease liabilities	1,139	1,345	-	-
Amounts due to holding company	47	49	-	-
Amounts due to subsidiary company	-	-	1,712	1,711
Amounts due to related parties	-	35	-	-
<b>Total current liabilities</b>	<b>318,355</b>	<b>362,738</b>	<b>1,829</b>	<b>1,858</b>
<b>Non-current liabilities:</b>				
Provisions	19,161	20,226	-	-
Lease liabilities	3,359	3,489	-	-
Deferred tax liabilities	987	2,785	-	-
Loans and borrowings	20,575	21,021	-	-
Other payables	2,018	3,691	-	-
<b>Total non-current liabilities</b>	<b>46,100</b>	<b>51,212</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>364,455</b>	<b>413,950</b>	<b>1,829</b>	<b>1,858</b>
<b>Equity:</b>				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(99,302)	(97,137)	(148,650)	(148,681)
Foreign currency translation reserve	5,365	1,233	-	-
	102,916	100,949	48,203	48,172
<b>Non-controlling interests</b>	<b>51,111</b>	<b>52,736</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>154,027</b>	<b>153,685</b>	<b>48,203</b>	<b>48,172</b>
<b>Total liabilities and equity</b>	<b>518,482</b>	<b>567,635</b>	<b>50,032</b>	<b>50,030</b>

## Condensed interim statements of changes in equity

	Attributable to the Owners of the Company						
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
<b>Group</b>							
At 1 January 2024	545	196,308	(97,137)	1,233	100,949	52,736	153,685
(Loss) / Profit for the period, representing Total comprehensive income for the period	-	-	(2,165)	-	(2,165)	(1,928)	(4,093)
Currency translation differences	-	-	-	4,132	4,132	303	4,435
Balance at 31 March 2024	545	196,308	(99,302)	5,365	102,916	51,111	154,027
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	-	-	1,473	-	1,473	2,782	4,255
Currency translation differences	-	-	-	1,916	1,916	(90)	1,826
Balance at 31 March 2023	545	196,308	(101,297)	(618)	94,938	54,194	149,132

	Attributable to the Owners of the Company			
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b>Company</b>				
At 1 January 2024	545	196,308	(148,681)	48,172
Profit for the period, representing total comprehensive income for the period	-	-	31	31
Balance at 31 March 2024	545	196,308	(148,650)	48,203
At 1 January 2023	545	196,308	(148,670)	48,183
Profit for the period, representing total comprehensive income for the period	-	-	8	8
Balance at 31 March 2023	545	196,308	(148,662)	48,191

## Condensed interim consolidated statement of cash flows

<u>Group</u>	<b>Three months ended 31 Mar 2024</b>	<b>Three months ended 31 Mar 2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Operating activities</b>		
(Loss) / Profit before income tax	(5,231)	5,288
<b>Adjustment for:</b>		
Depreciation and amortisation	3,573	2,628
Gain on disposal of property, plant and equipment	(4)	(3)
Loss on disposal of a subsidiary	-	1,106
Fair value measurement on derivative instrument	474	(374)
Allowance for doubtful debts	113	882
Bad debt written-off	-	55
Interest expenses	1,832	842
Interest income	(338)	(554)
Share of results of associate and joint ventures	(1,005)	(813)
Exchange realignment	2,193	114
Operating cash flows before changes in working capital	1,607	9,171
<b>Changes in working capital:</b>		
Inventories	7,669	18,068
Trade and other receivables	6,327	(31,227)
Trade and other payables	4,368	57,606
<b>Cash flows generated from operations</b>	19,971	53,618
Income taxes paid	(1,832)	(854)
Interest paid	338	(842)
Interest received	270	554
<b>Net cash flows generated from operating activities</b>	18,747	52,476
<b>Investing activities</b>		
Cash outflow from acquisition of subsidiaries	(3,784)	-
Proceeds from disposal of a subsidiary	-	1,088
Proceeds from disposal of property, plant and equipment	13	6
Purchases of intangible assets, property, plant and equipment	(2,113)	(11,020)
<b>Net cash flows used in investing activities</b>	(5,884)	(9,926)
<b>Financing activities</b>		
Repayment of borrowings	(8,476)	(6,093)
Repayment of lease liabilities	(472)	(246)
Repayment of loan from/(loan to) holding company	-	(1)
Advances to related companies/related parties	(1,615)	(2,519)
<b>Net cash flows used in financing activities</b>	(10,563)	(8,859)
<b>Net increase in cash and cash equivalents</b>	2,300	33,691
Cash and cash equivalents at the beginning of the period	(12,154)	(38,082)
Effect of exchange rate changes on cash and cash equivalents	839	(271)
<b>Cash and cash equivalents at the end of the period</b>	(9,015)	(4,662)
Cash and bank balance	14,151	15,794
Bank overdrafts	(23,166)	(20,456)
Cash and cash equivalents per consolidated statement of cash flows	(9,015)	(4,662)

## **Selected noted 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 March 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 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 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 three months financial period ended 31 March 2024 ("3M 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
<b>3M 2024</b>					
<b>Revenue:</b>					
External customers	562,750	-	-	-	562,750
Dividend income	-	-	-	-	-
Total revenue	<u>562,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562,750</u>
<b>Results:</b>					
Segment results	(3,400)	331	(702)	(471)	(4,242)
Interest income	249	-	89	-	338
Finance expenses	(2,330)	(2)	-	-	(2,332)
Share of results of joint venture and associate	324	-	681	-	1,005
	<u>(5,157)</u>	<u>329</u>	<u>68</u>	<u>(471)</u>	<u>(5,231)</u>
Tax expense	1,138	-	-	-	1,138
Net profit/(loss) for the year	<u>(4,019)</u>	<u>329</u>	<u>68</u>	<u>(471)</u>	<u>(4,093)</u>
<b>Segment assets:</b>					
Segment assets	517,853	488	60,662	(116,128)	462,875
Investment in associates	10,319	-	-	(2,063)	8,256
Investment in joint ventures	11,000	-	26,554	8,429	45,983
Tax assets	63	-	-	1,305	1,368
Total assets	<u>539,235</u>	<u>488</u>	<u>87,216</u>	<u>(108,457)</u>	<u>518,482</u>
<b>Segment liabilities:</b>					
Segment liabilities	409,827	121,452	17,477	(181,602)	367,154
Tax liabilities	(3,413)	-	-	714	(2,699)
Total liabilities	<u>406,414</u>	<u>121,452</u>	<u>17,477</u>	<u>(180,888)</u>	<u>364,455</u>
<b>Capital expenditure</b>	<u>2,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,113</u>
<b>Significant non-cash items:</b>					
Depreciation and amortisation	<u>3,516</u>	<u>23</u>	<u>34</u>	<u>-</u>	<u>3,573</u>



	<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
<b>3M2023</b>					
<b>Revenue:</b>					
External customers	652,279	-	-	-	652,279
Dividend income	(1)	-	-	-	(1)
Total revenue	<u>652,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,278</u>
<b>Results:</b>					
Segment results	6,969	435	987	(3,217)	5,174
Interest income	554	-	-	-	554
Finance expenses	(1,253)	-	-	-	(1,253)
Share of results of joint venture and associate	323	-	490	-	813
	<u>6,593</u>	<u>435</u>	<u>1,477</u>	<u>(3,217)</u>	<u>5,288</u>
Tax expense	(1,033)	-	-	-	(1,033)
Net profit/(loss) for the year	<u>5,560</u>	<u>435</u>	<u>1,477</u>	<u>(3,217)</u>	<u>4,255</u>
<b>Segment assets:</b>					
Segment assets	492,832	520	57,160	(72,424)	478,088
Investment in associates	10,783	-	4,368	(6,685)	8,466
Investment in joint ventures	12,122	-	26,554	6,974	45,650
Tax assets	-	-	-	1,315	1,315
Total assets	<u>515,737</u>	<u>520</u>	<u>88,082</u>	<u>(70,820)</u>	<u>533,519</u>
<b>Segment liabilities:</b>					
Segment liabilities	376,750	122,925	13,876	(140,604)	372,947
Tax liabilities	10,720	-	-	720	11,440
Total liabilities	<u>387,470</u>	<u>122,925</u>	<u>13,876</u>	<u>(139,884)</u>	<u>384,387</u>
<b>Capital expenditure</b>	<u>11,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,020</u>
<b>Significant non-cash items:</b>					
Depreciation and amortisation	2,579	1	48	-	2,628

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

<u>Group</u>	Three months ended 31 Mar 2024 US\$'000	Three months ended 31 Mar 2023 US\$'000	Increase /(decrease) %
Gain on disposal of property, plant and equipment	(4)	(3)	33
Interest income	(338)	(554)	(39)
Loss on disposal of a subsidiary	-	1,106	N.M.
Depreciation and amortisation	3,573	2,628	36
Allowance of trade debts	113	882	(87)
Bad debts written-off	-	55	N.M.
Directors' fees	28	28	-
Finance expenses	2,332	1,253	86
Professional fees	525	678	(23)
Rental expenses	2,430	2,084	17
Staff costs (including key management personnel compensation)	10,931	9,378	17
Travelling expenses	289	235	23

**F. Net assets value**

	<u>Group</u>		<u>Company</u>	
	31 Mar 2024 US cents	31 Dec 2023 US cents	31 Mar 2024 US cents	31 Dec 2023 US cents
<b>Net assets value per ordinary share</b>	<u>2.431</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\$102,916,000 as at 31 March 2024 (31 December 2023: US\$100,949,000) and the Company's net assets of approximately US\$48,203,000 as at 31 March 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>	
	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000	31 Mar 2024 US\$'000	31 Dec 2023 US\$'000
Amount payable in one year or less or on demand	5,477	8,672	72,771	117,710
Amount payable after one year	20,575	21,021	-	-

#### Details of any collateral

The secured borrowings of US\$72,771,000 are secured with trade receivables of the subsidiaries.

#### Contingent liabilities

As at 31 March 2024, the Group has also given guarantees in the amount of US\$46.53 million as follows:

- i) Bank guarantees in the amount of US\$46.30 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\$0.23 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 March 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 31 March 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

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
	US\$	US\$
<b>(Loss) / Profit attributable to owners of the Company</b>	(2,165,572)	1,472,771
<b>Profit/(loss) per ordinary share</b>	US Cents	US Cents
(a) Based on the weighted average number of ordinary shares in issue; and	(0.051)	0.035
Weighted average number of ordinary shares in issue	4,233,185,850	4,233,185,850
(b) On a fully diluted basis	(0.051)	0.035
Weighted average number of ordinary shares in issue	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 of US\$562.75 million for the three months period ended 31 March 2024 ("**3M 2024**") and US\$652.28 million for the three months period ended 31 March 2023 ("**3M 2023**") were derived from the Group's fuel distribution business in France and Spain ("Dyneff Group"). The decrease in the revenue by 14% for 3M 2024 compared to 3M 2023 was mainly due to reduced sales volume resulting from decrease in demand of the customers.

The costs of sales decreased to US\$543.00 million in 3M 2024, an decrease of 13% from US\$627.48 million in 3M 2023, consistent with the reduction in revenue.

Gross profit decreased to US\$19.75 million in 3M 2024 compared to US\$24.80 million in 3M 2023. The decrease in gross profits by 20% were mainly attributable to a reduction in gross profit margin by 0.3% from 3.8% in 3M 2023 to 3.5% in 3M 2024 by Dyneff Group as a result of facing on the stiff competition and reduced sales volume for 3M 2024.

Other income was US\$0.31 million in 3M 2024 compared to US\$0.59 million in 3M 2023. The decrease in other income by 47% in 3M 2024 was mainly due to reduced interest income earned for 3M 2024.

Selling and distribution expenses increased by 32%, from US\$17.81 million in 3M 2023 to US\$23.49 million in 3M 2024. The increase was mainly due to higher staff costs resulting from salary increment and increased headcounts. The selling and distribution expenses were not correlated with the Group's revenue, as the significant fixed staff costs do not fluctuate with the revenue generated.

Administrative expenses decreased by 16% from US\$1.23 million in 3M 2023 to US\$1.03 million in 3M 2024. The decrease was mainly due to the Group incurred lesser professional and consultancy fee of US\$0.15 million for due-diligence work conducted on potential acquisition projects in 3M 2024 compared to 3M 2023.

Other operating income increased by 93% from US\$0.32 million in 3M 2023 to US\$0.62 million in 3M 2024. The increase was mainly due to the reversal of provisions no longer required of US\$0.3 million in 3M 2024 compared to 3M 2023.

Net impairment loss on receivables decreased from US\$0.88 million in 3M 2023 to US\$0.11 million in 3M 2024, mainly due to fewer receivables meeting the criteria for impairment in 3M 2024. No bad debts were written off in 3M 2024 compared to 3M 2023.

Finance expenses increased by 86% from US\$1.25 million in 3M 2023 to US\$2.33 million in 3M 2024, 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 24% from US\$0.81 million in 3M 2023 to US\$1.00 million in 3M 2024. This increase was mainly due to a US\$0.19 million rise in share of profits of a China joint venture in 3M 2024.

The Group recorded a net loss of US\$4.09 million for 3M 2024 compared to a net profit of US\$4.26 million for 3M 2023. These were mainly attributable to the lower gross profit margin and the decrease in revenue from the Group's fuel distribution business.

## **Review of the Group's financial position**

The Group's non-current assets stand at US\$178.00 million as at 31 March 2024, compared to US\$175.68 million as at 31 December 2023. These assets comprised property, plant and equipment of US\$84.50 million, right-of-use assets of US\$4.67 million, intangible assets of US\$31.46 million, investments in associates and joint ventures of US\$54.24 million, available-for-sale financial assets of US\$0.42 million, deferred tax assets of US\$1.37 million and other receivables of US\$1.34 million. The increase of US\$2.32 million was mainly attributable to Dyneff Group's addition of intangible assets of US\$3.78 million, property, plant and equipment of US\$2.11 million and right-of-use assets of US\$0.13 million, offset by the depreciation and amortisation of US\$3.57 million during the reporting period.

The current assets stood at US\$340.49 million as 31 March 2024 compared to US\$391.95 million as at 31 December 2023. The overall decrease of US\$51.46 million in current assets was mainly due to a reduction of US\$11.80 million in inventories, US\$4.01 million in trade and other receivables, US\$35.00 million in cash and cash equivalents, and US\$0.86 million in tax recoverable, partially offset by an increase of US\$0.55 million in amounts due from related parties. The decrease in inventories was mainly due to increase in inventory turnover days during the reporting period. The decrease in trade receivables was consistent with the lower sales during the reporting period. The decrease in cash and cash equivalents was mainly due to repayment of borrowings. The increase in the amount due from related parties was the advances provided by Dyneff SAS to a joint venture, which was in the midst of obtaining long term financing, for the capital expenditure requirements.

The decrease of US\$44.38 million in current liabilities was mainly due to the decrease of US\$48.13 million in loans and borrowings, partially offset by an increase of US\$3.85 million in trade and other payables. The decrease in loans and borrowings was mainly due to the repayment of bank overdraft and short-term loans in 3M 2024. The higher trade and other payables were mainly attributable to the resumption of normal credit terms compared to shorter payment periods requested by the suppliers as at 31 December 2023. The decrease of US\$5.11 million in non-current liabilities was mainly due to the reduction in deferred tax liabilities of US\$1.80 million and a decrease of other payables and loans and borrowings of US\$1.67 million and US\$0.45 million, respectively, as a result of repayments.

Overall, the Group's net assets stood at US\$102.92 million as at 31 March 2024, or 2.43 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 generated from operating activities of US\$19.97 million in 3M 2024, as compared to net cash flows generating from operating activities of US\$53.62 million in 3M 2023. This decrease was mainly attributable to the lower cashflows due to decrease of inventories and sales volume as a result of reduced demand from customers as well as a decrease in trade and other payables during the financial period.

The net cash flows used in investing activities of US\$5.88 million in 3M 2024, compared to US\$9.93 million in 3M 2023. This was mainly due to purchases of intangible assets and property, plant and equipment, as well as payment for the acquisition of a subsidiary by our Dyneff Group in France during the financial period.

The increase in net cash flows used in financing activities of US\$10.56 million in 3M 2024, as compared to net cash flows used in financing activities of US\$8.86 million in 3M 2023, was mainly attributable to repayments of borrowings amounting to US\$8.48m and advances to related parties of US\$1.62 million.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprised cash and bank balances of US\$14.15 million and bank overdrafts of US\$23.17 million as at 31 March 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 leading 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 transactions with AnAn Group (Singapore) Pte Ltd (“AAG”), the immediate holding company in Q1 2024. 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	1,398
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 31 March 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)**

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 10 January 2024	: EUR 5,115,988
Number of share(s)	: 565,555 ordinary shares
Consideration	: EUR 8,621,614

The impact of the above acquisitions that would have on the Group’s results is also disclosed in the announcement on 26 July 2023

The Company had on 25 April 2024 announced that all the conditions precedent to the above proposed acquisition of 100% stake in CPA SAS has been fulfilled, full consideration has been paid to the Seller and the proposed acquisition has been completed on 23 April 2024.

**BY ORDER OF THE BOARD**

**Zang Jian Jun**  
**Executive Director and Executive Chairman**  
**Date: 15 May 2024**