



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 2022**

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**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the nine months period ended 30 September 2022**

<u>Group</u>	Three months ended	Three months ended	Increase	Nine months ended	Nine months ended	Increase
	30 Sep 2022 US\$'000 (Unaudited)	30 Sep 2021 US\$'000 (Unaudited)	/(decrease) %	30 Sep 2022 US\$'000 (Unaudited)	30 Sep 2021 US\$'000 (Unaudited)	/(decrease) %
Revenue	835,351	534,825	56	2,321,146	1,351,228	72
Cost of sales	(795,792)	(511,504)	56	(2,221,945)	(1,296,820)	71
Gross profit	39,559	23,321	70	99,201	54,408	82
Other operating income	454	39	1,064	572	187	206
Selling and distribution expenses	(17,583)	(15,454)	14	(50,696)	(43,950)	15
Administrative expenses	(1,103)	(1,007)	10	(3,223)	(3,253)	(1)
Other operating expenses	(1,489)	(272)	447	(1,850)	(1,005)	84
Finance expenses	(1,120)	(746)	50	(2,989)	(1,924)	55
Share of results of associates and joint ventures	139	209	(33)	697	903	(23)
Profit/(Loss) before income tax	18,857	6,090	210	41,712	5,366	677
Income tax credit/(expenses)	(5,897)	(1,808)	226	(12,144)	(1,989)	511
Profit/(Loss) for the period	12,960	4,282	203	29,568	3,377	776
Other comprehensive (loss)/income: Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(6,782)	(1,372)	394	(7,492)	(2,971)	152
Other comprehensive income/(loss) for the period	(6,782)	(1,372)	394	(7,492)	(2,971)	152
Total comprehensive income/(loss) for the period	6,178	2,910	112	22,076	406	5,337
Profit/(Loss) attributable to:						
Owners of the Company	5,952	1,966	203	14,010	974	1,338
Non-controlling interests	7,008	2,316	203	15,558	2,403	547
Profit/(Loss) for the period	12,960	4,282	203	29,568	3,377	776
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(33)	1,206	N.M	4,296	(774)	N.M
Non-controlling interests	6,211	1,704	264	17,780	1,180	1,407
Total comprehensive income/(loss) for the period	6,178	2,910	112	22,076	406	5,337

**Condensed interim consolidated statements of financial position
As at 30 September 2022**

	<u>Group</u>		<u>Company</u>	
	30 Sep 2022 US\$'000	31 Dec 2021 US\$'000	30 Sep 2022 US\$'000	31 Dec 2021 US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	53,687	43,616	-	-
Right-of-use assets	4,252	5,659	-	-
Intangible assets	16,582	17,192	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	11,620	12,972	-	-
Investments in joint ventures	43,311	45,154	-	-
Available-for-sale financial assets	129	144	-	-
Deferred tax assets	1,184	1,371	-	-
Other receivables	1,159	1,279	-	-
Total non-current assets	131,924	127,387	50,000	50,000
Current assets:				
Inventories	85,725	106,221	-	-
Trade and other receivables	257,646	206,151	10	18
Amounts due from subsidiaries	-	-	29	29
Amounts due from related parties	20,512	21,728	-	-
Tax recoverable	-	805	-	-
Derivative financial assets	261	74	-	-
Cash and cash balance	12,734	10,367	-	-
Total current assets	376,878	345,346	39	47
Total assets	508,802	472,733	50,039	50,047
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	236,108	219,777	180	457
Derivative financial liabilities	-	60	-	-
Loans and borrowings	93,102	106,818	-	-
Lease liabilities	913	1,329	-	-
Amounts due to holding company	850	1,243	-	-
Amounts due to subsidiary company	-	-	1,627	1,176
Amounts due to related parties	5,890	15	-	-
Income tax payable	7,868	1,624	-	-
Total current liabilities	344,739	330,874	1,807	1,633
Non-current liabilities:				
Provisions	15,208	17,989	-	-
Lease liabilities	3,192	4,554	-	-
Deferred tax liabilities	4,447	4,701	-	-
Loans and borrowings	13,912	9,297	-	-
Other payables	1,681	1,771	-	-
Total non-current liabilities	38,440	38,312	-	-
Total liabilities	383,179	369,186	1,807	1,633
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(109,885)	(123,895)	(148,621)	(148,439)
Foreign currency translation reserve	(8,735)	979	-	-
	78,233	73,937	48,232	48,414
Non-controlling interests	47,390	29,610	-	-
Total equity	125,623	103,547	48,232	48,414
Total liabilities and equity	508,802	472,733	50,039	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 period, representing Total comprehensive income 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
At 1 January 2021	545	196,308	(128,932)	3,546	71,467	24,705	96,172
Profit for the period, representing Total comprehensive income for the period	-	-	974	-	974	2,403	3,377
Exchange differences on translating foreign operations	-	-	-	(1,748)	(1,748)	(1,223)	(2,971)
Balance at 30 September 2021	545	196,308	(127,958)	1,798	70,693	25,885	96,578

	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 period, representing total comprehensive income for the period	-	-	(182)	(182)
Balance at 30 September 2022	545	196,308	(148,621)	48,232
At 1 January 2021	545	196,308	(147,707)	49,146
Loss for the period, representing total comprehensive loss for the period	-	-	(520)	(520)
Balance at 30 September 2021	545	196,308	(148,227)	48,626

Condensed interim consolidated statement of cash flows

<u>Group</u>	Three months ended 30 Sep 2022 US\$'000 (Unaudited)	Three months ended 30 Sep 2021 US\$'000 (Unaudited)	Nine months ended 30 Sep 2022 US\$'000 (Unaudited)	Nine months ended 30 Sep 2021 US\$'000 (Unaudited)
Operating activities				
Profit/(Loss) before income tax	18,857	6,090	41,712	5,366
Adjustment for:				
Depreciation and amortisation	2,214	2,264	5,940	6,667
(Gain)/loss on disposal of property, plant and equipment	42	(4)	86	(2)
Fair value measurement on derivative instrument	(1,165)	(1,990)	(612)	1,548
Impairment of assets	-	6	-	-
(Reversal)/ allowance for trade debts	171	(50)	258	(315)
Bad debts written-off	26	100	119	494
Interest expenses	627	328	1,513	947
Interest income	(71)	(53)	(299)	(139)
Share of results of associate and joint ventures	(139)	(208)	(697)	(901)
Exchange realignment	(6,583)	3,105	(2,646)	3,978
Operating cash flows before changes in working capital	13,979	9,588	45,374	17,643
Changes in working capital:				
Inventories	14,570	(7,486)	18,845	(31,783)
Trade and other receivables	(22,333)	4,687	(54,072)	(64,323)
Trade and other payables	6,562	6,717	17,297	56,518
Cash flows used in operations	12,778	13,506	27,444	(21,945)
Income taxes (paid)/received	(966)	(2,342)	(5,170)	(2,897)
Interest paid	71	(328)	299	(947)
Interest received	(627)	53	(1,513)	139
Net cash flows generated from/(used in) operating activities	11,256	10,889	21,060	(25,650)
Investing activities				
Cash outflow from acquisition of a subsidiary	-	(1,781)	(2,150)	(1,781)
Proceeds from disposal of property, plant and equipment	56	4	152	9
Investment in available-for-sale assets	-	(82)	-	(94)
Purchases of intangible assets, property, plant and equipment	880	(4,306)	(12,443)	(10,799)
Net cash flows generated from/(used in) investing activities	936	(6,165)	(14,441)	(12,665)
Financing activities				
Bank deposit from acquisition of a subsidiary	-	452	-	929
Proceeds from/(repayment of) borrowings	3,151	794	27,483	13,595
Repayment of lease liabilities	(171)	(414)	(3,126)	(1,302)
Repayment to holding company	(1)	-	(393)	-
Loan to holding company	-	(23)	-	(1,057)
Proceeds from/(repayment to) related companies	3,784	(3,702)	6,654	(10,678)
Net cash flows (used in)/generated from financing activities	6,763	(2,893)	30,618	1,487
Net (decrease)/increase in cash and cash equivalents	18,955	1,831	37,237	(36,828)
Cash and cash equivalents at the beginning of the period	(34,366)	(48,112)	(52,835)	(9,043)
Effect of exchange rate changes on cash and cash equivalents	(720)	(2,363)	217	2,773
Cash and cash equivalents at the end of the period	(16,131)	(48,644)	(15,381)	(43,098)
Cash and bank balance	12,734	10,187	12,734	10,187
Bank overdrafts	(28,865)	(58,831)	(28,865)	(58,831)
Cash and cash equivalents per consolidated statement of cash flows	(16,131)	(48,644)	(16,131)	(48,644)

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

<u>Group</u>	Three months ended	Three months ended	Increase	Nine months ended	Nine months ended	Increase
	30 Sep 2022 US\$'000	30 Sep 2021 US\$'000	/(decrease) %	30 Sep 2022 US\$'000	30 Sep 2021 US\$'000	/(decrease) %
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
(Gain)/Loss on disposal of property, plant and equipment	(49)	(4)	N.M	(86)	(2)	N.M
Interest income	(139)	(53)	162	(299)	(139)	115
Depreciation and amortisation	5,359	2,246	139	5,940	6,667	(11)
(Reversal) / allowance for trade debts	266	(50)	N.M	258	(315)	(182)
Bad debts written-off	66	100	(34)	119	494	(76)
Directors' fees	54	39	38	81	117	(31)
Finance expenses	2,308	746	209	2,989	1,921	56
Professional fees	733	345	112	880	1,246	(29)
Rental expenses	3,147	78	3,935	4,694	340	1,281
Staff costs (including key management personnel compensation)	17,470	8,208	113	27,612	23,815	16
Travelling expenses	265	264	0	403	484	(17)

N.M : Not Meaningful

E. Net assets value

	<u>Group</u>		<u>Company</u>	
	30 Sep 2022 US cents	31 Dec 2021 US cents	30 Sep 2022 US cents	31 Dec 2021 US cents
Net assets value per ordinary share	<u>1.848</u>	<u>1.747</u>	<u>1.139</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\$78,233,026 as at 30 September 2022 (31 December 2021: US\$73,936,572) and the Company's net assets of approximately US\$48,232,072 as at 30 September 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).

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2022 US\$'000	31 Dec 2021 US\$'000	30 Sep 2022 US\$'000	31 Dec 2021 US\$'000
Amount payable in one year or less or on demand	6,316	4,969	86,786	101,849
Amount payable after one year	13,912	9,297	-	-

Details of any collateral

The secured borrowings of US\$86,786,036 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 September 2022, the Group has also given guarantees in the amount of US\$33.47 million as follows:

- i) Bank guarantees in the amount of US\$31.91 million to 7 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\$1.56 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 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 30 September 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 investment 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

	Group			
	Three months ended 30 Sep 2022	30 Sep 2021	Nine months ended 30 Sep 2022	30 Sep 2021
	US\$	US\$	US\$	US\$
Profit/(Loss) attributable to owners of the Company	11,076,307	1,965,210	14,009,949	973,770
Profit/(Loss) per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	0.2617	0.0464	0.3310	0.0230
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	0.2617	0.0464	0.3310	0.0230
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 2022**"), the Group's revenue increased by 56% on quarter to quarter ("**Q-to-Q**") to US\$835.35 million from US\$534.83 million in the third quarter of last year ("**3Q 2021**"). It also increased by 72% from US\$1,351.23 million for the nine months ended 30 September 2021 ("**9M 2021**") to US\$2,321.15 million for the nine months ended 30 September 2022 ("**9M 2022**"). The Group's revenue was derived from the Group's fuel distribution business in France and Spain ("**Dyneff Group**"). The increase in the revenue for both 3Q 2022 and 9M 2022 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 3Q 2022 and 9M 2022 and may not be continuing in the future.

The costs of sales were increased to US\$2,221.95 million in 9M 2022, an increase of 71% from US\$1,296.82 million in 9M 2021, which was in line with the increase in revenue.

Gross profits were increased to US\$39 million in 3Q 2022, an increase of 70% from US\$23.32 million in 3Q 2021. It also increased by 82% from US\$54.41 million in 9M 2021 to US\$99.20 million in 9M 2022, both increase were mainly attributable to the increase in sales volume and some improved in gross profits margin by 0.24% from 4.03% in 9M 2021 to 4.27% in 9M 2022 by Dyneff Group as a result of abovementioned particular market condition.

Other operating income was increased to US\$0.45 million in 3Q 2022 compared to US\$0.04 million in 3Q 2021 was mainly due to higher oil depot hedging income and interest income. Other operating income for 9M 2022 and 9M 2021 were US\$0.57 million and US\$0.19 million respectively, an increase of US\$0.38 million also due to abovementioned other secondary income obtained during normal course of business.

Selling and distribution expenses increased by 14% from US\$15.45 million in 3Q 2021 to US\$17.58 million in 3Q 2022. It also increased by 15% from US\$43.95 million in 9M 2021 to US\$50.70 million in 9M 2022. The overall increase of US\$6.75 million was mainly due to higher rental of oil distribution equipment of US\$4.36 million, higher staff costs of US\$3.11 million from salary increment and increased headcounts, and offset by the decrease in depreciation expenses of US\$0.7 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 increased by 10% from US\$1 million in 3Q 2021 to US\$1.1 million in 3Q 2022. The increase was mainly due to professional fees and consultancy fees incurred in 3Q 2022 compared to 3Q 2021 by the Group for due-diligence work conducted for potential acquisition projects.

Other operating expenses was increased from US\$0.27 million in 3Q 2021 to US\$1.49 million in 3Q 2022. It also increased by 84% from US\$1 million in 9M 2021 to US\$1.85 million in 9M 2022, The overall increase of other operating expenses was mainly due to the exchange loss as EUR weaken against USD.

Finance expenses increased by 50% from US\$0.75 million in 3Q 2021 to US\$1.12 million in 3Q 2022. It also increased by 55% from US\$1.92 million in 9M 2021 to US\$2.99 million in 9M 2022. 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 decreased by 33% from US\$0.29 million in 3Q 2021 to US\$0.14 million in 3Q 2022. It also decreased by 23% from US\$0.90 million in 9M 2021 to US\$0.7 million in 9M 2022. This overall decrease was mainly due to the decrease in share of profits of a China joint venture of US\$0.21 million as a result of higher operating cost for oil storage in 3Q 2022.

Income tax expense incurred of US\$5.90 million and US\$12.14 million in 3Q 2022 and 9M 2022 respectively, compared to income tax expense of US\$1.81 million in 3Q 2021 and US\$1.99 million in 9M 2021, were mainly due to the Group generated higher profits in 3Q 2022 and 9M 2022 compared comparative period.

The Group recorded a net profit of US\$12.96 million and US\$29.57 million in 3Q 2022 and 9M 2022 respectively, compared to a lower net profit of US\$4.28 million and US\$3.38 million in 3Q 2021 and 9M 2021 respectively. These were attributable to the increase in revenue by the fuel 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\$131.92 million as at 30 September 2022 compared to US\$127.39 million as at 31 December 2021, and comprised property, plant and equipment of US\$53.69 million, right-of-use assets of US\$4.23 million, intangible assets of US\$16.58 million, investments in associates and joint ventures of US\$54.93 million, available-for-sale financial assets of US\$0.13 million, deferred tax assets of US\$1.18 million and other receivables of US\$1.16 million. The increase of US\$4.54 million was mainly attributable to Dyneff Group's addition of the property, plant and equipment of US\$12.44 million, offset by the depreciation and amortisation of US\$5.94 million.

The current assets stood at US\$376.88 million as at 30 September 2022 compared to US\$345.34 million as at 31 December 2021. Overall, the increase of US\$31.54 million in current assets was from the increase of US\$51.50 million in trade and other receivables, US\$2.37 million in cash and cash balance and offset by the decrease of US\$20.50m in inventories, decrease of US\$1.22 million in amount due from related parties and decrease of US\$0.8 million in tax recoverable. The increase in trade receivables was in line with the higher sales and the debtor-sales outstanding ratio remained between 20 to 25 days. The decrease in inventory was mainly due to increase in inventory turnover days of which in line with the surge in demand as a result of customers' fear of missing products in the market condition of increasing of fuel price during the reporting period. The decrease in the amount due from related parties of US\$1.22 million 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\$13.87 million in current liabilities was due to an increase of US\$16.33 million in trade and other payables, increase of US\$5.89 million in amounts due to related parties as well as the increase of US\$6.24 million in income tax payable. The higher trade and other payables were mainly attributable to increase of US\$1.36 million in trade payable in line with the increase in the unit costs as well as the volume of the inventory and US\$17 million in France VAT and deferred revenue. The decrease of US\$6.14 million in non-current liabilities was mainly due to the decrease in provision of US\$2.17 million, decrease in lease liabilities of US\$0.69 million, decrease in deferred tax liabilities of US\$0.77 million and decrease of loans and borrowings of US\$2.24 million as a result of repayment,.

Overall, the Group's net assets stood at US\$78.23 million as at 30 September 2022, or 1.85 US cents per share, compared to US\$73.47 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\$11.26 million in 3Q 2022, as compared to net cash flows generated from operating activities of US\$19.78 million in 3Q 2021. This increase in cash flow generated from operating activities was mainly attributable to the higher cashflows due to increase of inventory turnover and sales volume as a results of surge in demand from customers during the financial period.

The net cash flows used in investing activities of US\$0.94 million in 3Q 2022 as compared to net cash flows used in investment activities of US\$6.17 million in 3Q 2021 was mainly due to purchases of intangible assets and property, plant and equipment in 3Q 2022 by our Dyneff Group in France.

The net cash flows generated from financing activities of US\$6.76 million in 3Q 2022 as compared to net cash flows used in financing activities of US\$2.89 million in 3Q 2021 was mainly attributable to the higher proceeds from borrowings and related parties of US\$6.94 million.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$12.74 million and bank overdrafts of US\$28.97 million as at 30 September 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 Q3 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.

Transactions	USD
Expenses paid on behalf of AAG by SPE	583
Amount hold on trust by HKCEFS for AAG	46,789

13. Negative confirmation pursuant to Rule 705 (5)

We, Zang Jian Jun and Li Xiao Ming, 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 2022 to be false or misleading in any material aspect.

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

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. Disclosure pursuant to Rule 706(A)

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

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 10 November 2022