



UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1a An income statement (for AnAn International Limited and its subsidiaries (“the Group”)) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Three months ended	Three months ended	Increase /(decrease) %	Nine months ended	Nine months ended	Increase /(decrease) %
	30 Sep 2021	30 Sep 2020		30 Sep 2021	30 Sep 2020	
	US\$'000	US\$'000		US\$'000	US\$'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Revenue	534,825	327,288	63	1,351,228	895,216	51
Cost of sales	(511,504)	(308,643)	66	(1,296,820)	(847,973)	53
Gross profit	23,321	18,645	25	54,408	47,243	15
Other operating income	39	287	(86)	187	1,170	(84)
Selling and distribution expenses	(15,454)	(12,078)	28	(43,950)	(34,943)	26
Administrative expenses	(1,007)	(1,020)	(1)	(3,253)	(3,251)	0
Other operating expenses	(272)	(205)	33	(1,005)	(649)	55
Finance expenses	(746)	(545)	37	(1,924)	(1,737)	11
Share of results of associates and joint ventures	209	804	(74)	903	956	(6)
Profit before income tax	6,090	5,888	3	5,366	8,789	(39)
Income tax expense	(1,808)	(1,935)	(7)	(1,989)	(3,923)	(49)
Profit for the period	4,282	3,953	8	3,377	4,866	(31)
Other comprehensive (loss)/income:						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(1,372)	1,911	N.M.	(2,971)	2,035	N.M.
Other comprehensive (loss)/income for the period	(1,372)	1,911	N.M.	(2,971)	2,035	N.M.
Total comprehensive income for the period	2,910	5,864	(50)	406	6,901	(94)
Profit attributable to:						
Owners of the Company	1,966	1,886	4	974	1,619	(40)
Non-controlling interests	2,316	2,067	12	2,403	3,247	(26)
Profit for the period	4,282	3,953	8	3,377	4,866	(31)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	1,206	2,974	(59)	(774)	2,778	N.M.
Non-controlling interests	1,704	2,890	(41)	1,180	4,123	(71)
Total comprehensive income/(loss) for the period	2,910	5,864	(50)	406	6,901	(94)

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

Group	Three months ended 30 Sep 2021	Three months ended 30 Sep 2020	Increase / (decrease) %	Nine months ended 30 Sep 2021	Nine months ended 30 Sep 2020	Increase / (decrease) %
	US\$'000	US\$'000		US\$'000	US\$'000	
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
Gain on disposal of property, plant and equipment	(4)	(4)	-	(2)	(4)	(50)
Interest income	(53)	(82)	(35)	(139)	(308)	(55)
	-	-				
Depreciation and amortisation	2,264	2,138	6	6,667	6,033	11
Reversal of allowance for trade debts	(50)	(16)	213	(315)	(26)	1,112
Bad debts written-off	100	109	(8)	494	312	58
Directors' fees	39	53	(26)	117	175	(33)
Finance expenses	746	547	36	1,921	1,739	10
Professional fees	345	421	(18)	1,246	1,374	(9)
Rental expenses	78	106	(26)	340	402	(15)
Staff costs (including key management personnel compensation)	8,208	6,356	29	23,815	18,935	26
Travelling expenses	264	52	408	484	215	125
Negative goodwill	-	-	-	-	(623)	(100)

1b(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS				
Non-current assets:				
Property, plant and equipment	39,430	36,184	-	-
Right-of-use assets	5,608	7,324	-	-
Intangible assets	15,811	15,684	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	12,959	13,093	-	-
Investments in joint ventures	45,473	45,897	-	-
Available-for-sale financial assets	216	143	-	-
Deferred tax assets	1,401	1,485	-	-
Other receivables	527	440	-	-
Total non-current assets	121,425	120,250	50,000	50,000
Current assets:				
Inventories	108,884	81,309	-	-
Trade and other receivables	209,833	153,901	15	5
Amounts due from subsidiaries	-	-	29	318
Loan to holding company	1,208	219	-	-
Derivative financial assets	-	78	-	-
Amounts due from related companies	13,012	2,308	-	-
Tax recoverable	799	728	-	-
Cash and cash equivalents	10,187	11,607	-	-
Total current assets	343,923	250,150	44	323
Total assets	465,348	370,400	50,044	50,323
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	235,241	189,211	1,225	1,177
Derivative financial liabilities	2,336	1,154	-	-
Loans and borrowings	96,531	45,430	-	-
Lease liabilities	1,217	1,647	-	-
Tax payable	399	1,298	-	-
Amounts due to holding company	805	873	-	-
Amounts due to a subsidiary	-	-	193	-
Amounts due to related companies	229	78	-	-
Total current liabilities	336,766	239,699	1,418	1,177
Non-current liabilities:				
Provisions	9,667	9,690	-	-
Lease liabilities	4,576	5,459	-	-
Deferred tax liabilities	5,211	5,975	-	-
Loans and borrowings	10,952	11,689	-	-
Other payables	1,598	1,716	-	-
Total non-current liabilities	32,004	34,529	-	-
Total liabilities	368,770	274,228	1,418	1,177
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(127,958)	(128,932)	(148,227)	(147,707)
Foreign currency translation reserve	1,798	3,546	-	-
	70,693	71,467	48,626	49,146
Non-controlling interests	25,885	24,705	-	-
Total equity	96,578	96,172	48,626	49,146
Total liabilities and equity	465,348	370,400	50,044	50,323

1b(ii) Aggregate amount of the Group's borrowings and debt securities

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2021	31 Dec 2020	30 Sep 2021	31 Dec 2020
	US\$'000	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Amount payable in one year or less or on demand	5,908	8,004	91,839	39,073
Amount payable after one year	15,528	17,148	-	-

Details of any collateral

The secured borrowings of US\$91,838,857 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 September 2021, the Group has also given guarantees in the amount of US\$14.1 million as follows:

- i) Bank guarantees in the amount of US\$12.26 million to 5 oil product suppliers to secure certain favourable buying conditions and payment terms for two subsidiaries; and
- ii) Letter of support to banks in the amount of US\$1.84 million in favour of a joint venture company in France.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>Group</u>	Three months ended 30 Sep 2021 US\$'000 (Unaudited)	Three months ended 30 Sep 2020 US\$'000 (Unaudited)	Nine months ended 30 Sep 2021 US\$'000 (Unaudited)	Nine months ended 30 Sep 2020 US\$'000 (Unaudited)
Operating activities				
Profit before income tax	6,090	5,889	5,366	8,789
Adjustment for:				
Depreciation and amortisation	2,264	2,138	6,667	6,033
Gain on disposal of property, plant and equipment	(4)	(4)	(2)	(4)
Fair value measurement on derivative instrument	(1,990)	-	1,548	-
Impairment of assets	6	20	-	52
Reversal of allowance for doubtful debts	(50)	(16)	(315)	(26)
Bad debts written-off	100	109	494	312
Interest expenses	328	226	947	969
Interest income	(53)	(82)	(139)	(308)
Share of results of associate and joint ventures	(208)	(803)	(901)	(956)
Negative goodwill	-	-	-	(623)
Exchange realignment	3,105	2,738	3,978	3,049
Operating cash flows before changes in working capital	9,588	10,215	17,643	17,287
Changes in working capital:				
Inventories	(7,486)	4,842	(31,783)	(1,444)
Trade and other receivables	4,687	(7,165)	(64,323)	223
Trade and other payables	6,717	31,185	56,518	(23,748)
Cash flows generated from/(used in) operations	13,506	39,077	(21,945)	(7,682)
Income taxes (paid)/received	(2,342)	(269)	(2,897)	568
Interest paid	(328)	(226)	(947)	(969)
Interest received	53	82	139	308
Net cash flows generated from/(used in) operating activities	10,889	38,664	(25,650)	(7,775)
Investing activities				
Cash outflow from acquisition of subsidiaries	(1,781)	(3,608)	(1,781)	(4,268)
Proceeds from disposal of property, plant and equipment	4	7	9	8
Investment in available-for-sale assets	(82)	1	(94)	(1)
Purchases of intangible assets, property, plant and equipment	(4,306)	(3,539)	(10,799)	(6,951)
Net cash flows used in investing activities	(6,165)	(7,139)	(12,665)	(11,212)
Financing activities				
Proceeds from/(repayment of) borrowings	794	(2,272)	13,595	225
Bank deposit from acquisition of subsidiaries	452	2,874	929	7,688
Repayment of lease liabilities	(414)	(85)	(1,302)	(737)
Repayment to holding company	-	-	-	(300)
Loan to holding company	(23)	-	(1,057)	-
Advances to related companies/related parties	(3,702)	(2,167)	(10,678)	(1,952)
Net cash flows (used in)/generated from financing activities	(2,893)	(1,650)	1,487	4,924
Net (decrease)/increase in cash and cash equivalents	1,831	29,875	(36,828)	(14,063)
Cash and cash equivalents at the beginning of the period	(48,112)	(17,023)	(9,043)	26,942
Effect of exchange rate changes on cash and cash equivalents	(2,363)	(575)	(2,773)	(602)
Cash and cash equivalents at the end of the period	(48,644)	12,277	(48,644)	12,277
Cash and bank balance	10,187	14,247	10,187	14,247
Bank overdrafts	(58,831)	(1,970)	(58,831)	(1,970)
Cash and cash equivalents per consolidated statement of cash flows	(48,644)	12,277	(48,644)	12,277

1d(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to the owners of the Company						Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	(Accumulated losses)/ retained earnings US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	
Group							
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
At 1 January 2020	545	196,308	(131,213)	1,050	66,690	18,838	85,528
Profit for the period, representing total comprehensive income for the period	-	-	1,619	-	1,619	3,247	4,866
Exchange differences on translating foreign operations	-	-	-	1,159	1,159	876	2,035
Balance at 30 September 2020	545	196,308	(129,594)	2,209	69,468	22,961	92,429

	Attributable to the owners of the Company			Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	
Company				
At 1 January 2021	545	196,308	(147,707)	49,146
Loss for the period, representing total comprehensive income for the period	-	-	(520)	(520)
Balance at 30 September 2021	545	196,308	(148,227)	48,626
At 1 January 2020	545	196,308	(147,160)	49,693
Loss for the period, representing total comprehensive income for the period	-	-	(355)	(355)
Balance at 30 September 2020	545	196,308	(147,515)	49,338

1d(ii) 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 the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

1d(iii) 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 2021 and 31 December 2020 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 2021 and 31 December 2020.

1d(iv) 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.

1(d)(v) 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 has 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 qualifications 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 Management is awaiting for the audit of the financial statements of FY2018 to be completed and have the audit qualifications stated in the audited financial statements for FY2017 to be satisfactory resolved. 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 2021.

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 dividends:

	<u>Group</u>			
	Three months ended 30 Sep 2021 US\$	30 Sep 2020 US\$	Nine months ended 30 Sep 2021 US\$	30 Sep 2020 US\$
Profit/(Loss) attributable to owners of the Company	1,965,210	1,886,464	973,770	1,619,002
Profit/(Loss) per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number of ordinary shares in issue; and	0.0464	0.0446	0.0230	0.0382
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	0.0464	0.0446	0.0230	0.0382
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. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	30 Sep 2021 US cents	31 Dec 2020 US cents	30 Sep 2021 US cents	31 Dec 2020 US cents
Net assets value per ordinary share	1.670	1.688	1.149	1.161

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$70,692,473 as at 30 September 2021 (31 December 2020: US\$71,466,286) and the Company's net assets of approximately US\$48,626,458 as at 30 September 2021 (31 December 2020: US\$49,146,024) and share capital of 4,233,185,850 shares (31 December 2020: 4,233,185,850 shares).

8. 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 was from the distribution business in France and Spain ("Dyneff Group"). Its revenue in the third quarter of the year ("3Q 2021") increased to US\$534.83 million from US\$327.29 million in the third quarter of last year ("3Q 2020"), an increase of 63% on quarter to quarter ("Q-to-Q"). The Group's revenue increased by 51% from US\$895.22 million for the nine months ended 30 September 2020 ("9M 2020") to US\$1,351.23 million for the nine months ended 30 September 2021 ("9M 2021"). The increase in the revenue

for both 3Q 2021 and 9M 2021 as compared to the corresponding periods in 2020 were attributable to the steady recovery of the sale volume as compared to 9M 2020, during which, COVID-19 drastic lockdown containment measures were implemented.

The breakdown of the business segment results is as follows:

	Three months ended 30 Sep 2021	Three months ended 30 Sep 2020	Nine months ended 30 Sep 2021	Nine months ended 30 Sep 2020
<u>Revenue</u>	US\$'000	US\$'000	US\$'000	US\$'000
Distribution	534,292	326,764	1,350,695	894,692
Dividend income	533	524	533	524
	534,825	327,288	1,351,228	895,216

The cost of sales has increased to US\$1,296.82 million in 9M 2021, an increase of 53% from US\$847.97 million in 9M 2020, which is in line with the increase in revenue. However, the gross profit margin has decreased from 5.3% in 9M 2020 to 4% in 9M 2021, which was mainly due to the stiffer market competition faced by the Dyneff Group.

Other operating income of US\$0.04 million for 3Q 2021 was a 86% reduction as compared to US\$0.29 million in 3Q 2020 as a result of the exchange differences as EUR weakened against USD during the reporting period. Other operating income for 9M 2021 and 9M 2020 were US\$0.19 million and US\$1.17 million respectively, a decrease of US\$0.98 million was a result of the negative goodwill generated from an acquisition of a subsidiary of US\$0.62 million in 2Q 2020 not repeated in 2Q 2021 as well as the lower bank interest income of US\$0.16 million and exchange loss of US\$0.21 million from weakening EUR against USD.

Selling and distribution expenses increased by 28% from US\$12.08 million in 2Q 2020 to US\$15.45 million in 3Q 2021. It also increased by 26% from US\$34.94 million in 9M 2020 to US\$43.95 million in 9M 2021. The overall increase of US\$9.01 million in 9M 2021 was due to higher staff costs of US\$4.74 million from salary increment and increased headcounts; higher depreciation of US\$0.56 million; software expenses of US\$0.5 million; insurance and office supplies of US\$0.67 million; other expenses of US\$1.17 million due to repairs and maintenance of the oil distribution equipment and motor vehicles expenses of US\$0.25 million; rent and utilities of US\$0.45 million; taxes of US\$0.51 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 decreased by 1% from US\$1.02 million in 3Q 2020 to US\$1.01 million in 3Q 2021. It remained constant from 9M 2020 to 9M 2021.

Other operating expenses in 3Q 2021 and 9M 2021 were US\$0.27 million and US\$1.01 million respectively, as compared to US\$0.21 million in 3Q 2020 and US\$0.65 million in 9M 2020. The increase was mainly due to the provision of oil depot depollution costs for a site in France in 9M 2021.

Finance expenses increased from US\$0.55 million in 3Q 2020 to US\$0.75 million in 3Q 2021 and US\$1.74 million in 9M 2020 to US\$1.92 million in 9M 2021 due to higher interest expenses from bank borrowings.

The share of profits of associates and joint ventures was US\$0.21 million in 3Q 2021 as compared to US\$0.8 million in 3Q 2020. This reduction in 3Q 2021 was mainly due to the decrease in share of profits in associates under Dyneff Group of US\$0.72 million, partially offset by the slight increase of share of profit made in joint ventures and associates located in China of US\$0.12 million. Overall, the share of profits of associates and joint ventures remained constant at US\$0.9 million in 9M 2021 as compared to US\$0.96 million in 9M 2020.

Income tax expenses for 9M 2021 decreased by 49% from US\$3.92 million in 9M 2020 to US\$1.99 million in 9M 2021 was in line with the lower profit made by the distribution business in France and Spain.

The Group recorded a net profit of US\$4.28 million for 3Q 2021 and US\$3.38 million for 9M 2021 as compared to a net profit of US\$3.95 million for 3Q 2020 and US\$4.87 million for 9M 2020. These were attributable to decrease in the gross profit margin by the distribution business, coupled with 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\$121.45 million as at 30 September 2021 compared to US\$120.25 million as at 31 December 2020, and comprised property, plant and equipment of US\$39.43 million, right-of-use assets of US\$5.61 million, intangible assets of US\$15.81 million, investments in associates and joint ventures of US\$58.43 million, available-for-sale financial assets of US\$0.22 million, deferred tax assets of US\$1.4 million and other receivables of US\$0.53 million. The increase of US\$1.2 million was mainly attributable to Dyneff Group's addition of the property, plant and equipment and intangible assets of US\$10.8 million, offset by the depreciation and amortisation of US\$6.67 million as well as the exchange alignment of US\$2.93 million due to EUR weakens against USD.

The current assets stood at US\$343.92 million as 30 September 2021 compared to US\$250.15 million as at 31 December 2020. Overall, the increase of US\$93.77 million in current assets was from the increase of US\$27.58 million in inventory, US\$55.93 million in trade and other receivables, US\$10.7 million in amount due from related companies and US\$0.99 million in loan to holding company. The increase in trade receivables was in line with the higher sales and the debtor-sales outstanding ratio remained between 20 to 25 days, which was still within the norms of business operations. The increase in inventory was also in line with the increase of sale volumes and to maintain higher level of inventories to comply with the Loi d'Orientation de la Politique Energetique legislation in France. This is an environmental legislation that imposes energy saving requirements on all energy suppliers in France, either directly on their own plants and equipment or indirectly by supporting their clients to save energy. Failure to comply would result in penalties to the energy supplier. One of the ways that energy suppliers can prove their compliance with this legislation is to accumulate a certain number of energy savings certificates. The increase in the amount due from related companies of US\$10.7 million was advances provided by Dyneff SAS to one of its 50% joint ventures in France for its working capital of US\$1.04 million and another joint venture, which is in the midst of obtaining long term financing, for the capital expenditure requirements of US\$10.11 million.

The increase of US\$97.07 million in current liabilities was due to an increase of US\$51.1 million in loans and borrowing and US\$46.03 million in trade and other payable, US\$ 1.18 million in derivative financial liabilities, offset by the decrease of US\$0.9 million in income tax payable. The increase in loan and borrowings was mainly due to the increase in bank overdraft of US\$38.51 million and short-term loans of US\$13.3 million were used in operating and financing activities for 9M 2021. The higher trade and other payables were mainly attributable to increase of US\$37.33 million in trade payable in line with the increase in the unit costs as well as the volume of the inventory and US\$8.62 million in France VAT and other tax payable. The increase in derivative financial liabilities was due to mark to market unrealized losses on future oil products. The decrease of US\$2.53 million in non-current liabilities as attributable to the decrease in lease liabilities of US\$0.88 million and deferred tax liabilities of US\$0.76 million, loans and borrowings of US\$0.74 million and other payables of US\$0.12 million.

Overall, the Group's net assets stood at US\$70.69 million as at 30 September 2021, or 1.67 US cents per share, compared to US\$71.47 million as at 31 December 2020 or 1.69 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows generated from operating activities of US\$10.89 million in 3Q 2021, as compared to net cash flows generated from operating activities of US\$38.66 million in 3Q 2020. This decrease in cashflow generated from operating activities was mainly attributable to lower inflow of cash resulting from trade and other payables, coupled with the higher cash outflow in taxes and interest expenses paid. The higher net cash flows used in operating activities of US\$25.65 million in 9M 2021, as compared US\$7.78 million in 9M 2020 was mainly due to the higher cash outflow in inventory and trade and other receivables, coupled with the increase in tax paid, partially offset by the higher cash inflow in trade and other payables.

The net cash flows used in investing activities of US\$6.17 million and US\$12.67 million in 3Q 2021 and 9M 2021 respectively as compared to US\$7.14 million and US\$11.21 million in 3Q 2020 and 9M 2020 respectively

was due to purchases of intangible assets and property, plant and equipment and acquisition of the subsidiaries by Dyneff Group.

The net cash flows used in financing activities of US\$2.89 million in 3Q 2021, as compared to net cash flows used in financing activities of US\$1.65 million in 3Q 2020 was mainly attributable to lower cash deposit from acquisition of subsidiaries and higher advances given to its related companies, offset by the proceeds from bank borrowings. The net cash flows generated from financing activities was US\$1.49 million in 9M 2021, as compared to net cash flows generated from financing activities of US\$4.92 million in 9M 2020 was mainly due to higher proceeds from borrowings, partially offset by the advance given to related companies and loans given to the holding company.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$10.19 million and bank overdrafts of US\$58.83 million as at 30 September 2021.

9. 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.

10. 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.

11. 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 was no dividend declared for the financial period reported on.

(ii) Corresponding period of the immediately preceding financial year

There was no dividend 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.

12. If no dividend has been declared or recommended, a statement to that effect.

No dividend has been declared or recommended as the Company is in loss position.

13. 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 9M 2021. 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>
Loan provided by HKCEFS to AAG	971,983
Interest charged on loan by HKCEFS to AAG	17,553
Payment on behalf of AAG by SPE	87,707

14. Negative confirmation pursuant to Rule 705(5)

We, Zang Jian Jun and Ling Chi, 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 2020 to be false or misleading in any material aspect.

15. 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 offices in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16. Disclosure pursuant to Rule 706(A)

The Company had on 22 July 2021 announced that the Company’s French Subsidiary, Dyneff SAS, has made a binding offer on 26 April 2021 for the proposed acquisition of 100% equity interest of the following entity:

Name	: AUBAC
Principal Activity	: Distribution of refined petroleum products
Country of incorporation	: France
Paid-up Capital	: EUR 200,000
Net asset value as at 31 May 2021	: EUR 647,000
Number of share(s)	: 100 ordinary shares
Consideration	: EUR 1,659,000

The impact of the above acquisition that would have on the Group’s results is also disclosed in the announcement on 22 July 2021.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Chairman

10 November 2021