



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

Condensed Interim Consolidated Financial Statements
For the Fourth Quarter and Full Year Ended 31 December 2021

| TABLE OF CONTENTS | PAGE |
|---|-------------|
| Condensed interim consolidated statement of profit or loss and other comprehensive income | 3 |
| Condensed interim statements of financial position | 4 |
| Condensed interim statements of changes in equity | 5 |
| Condensed interim consolidated statement of cash flows | 6 |
| Selected notes for the condensed interim consolidated financial statements | 7-11 |
| Other information required under listing manual | 11-16 |

**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the fourth quarter and full year ended 31 December 2021**

| <u>Group</u> | Three months ended 31 Dec 2021 US\$'000 | Three months ended 31 Dec 2020 US\$'000 | Increase /(decrease) % | Twelve months ended 31 Dec 2021 US\$'000 | Twelve months ended 31 Dec 2020 US\$'000 | Increase /(decrease) % |
|--|---|---|------------------------------|--|--|------------------------------|
| Revenue | 575,168 | 299,723 | 92 | 1,926,396 | 1,194,939 | 61 |
| Cost of sales | (535,500) | (279,651) | 91 | (1,832,320) | (1,127,624) | 62 |
| Gross profit | 39,668 | 20,072 | 98 | 94,076 | 67,315 | 40 |
| Other operating income | 214 | 871 | (75) | 401 | 2,041 | (80) |
| Selling and distribution expenses | (17,276) | (14,794) | 17 | (61,226) | (49,737) | 23 |
| Administrative expenses | (1,511) | (1,504) | 0 | (4,764) | (4,755) | 0 |
| Other operating expenses | (9,070) | (3,153) | 188 | (10,075) | (3,802) | 165 |
| Finance expenses | (895) | (488) | 83 | (2,819) | (2,225) | 27 |
| Share of results of associates and joint ventures | 162 | (74) | NM | 1,065 | 882 | 21 |
| Profit before income tax | 11,292 | 930 | 1,114 | 16,658 | 9,719 | 71 |
| Income tax expense | (2,867) | 247 | NM | (4,856) | (3,676) | 32 |
| Profit for the period/year | 8,425 | 1,177 | 616 | 11,802 | 6,043 | 95 |
| Other comprehensive (loss)/income: | | | | | | |
| Item that may be reclassified subsequently to profit or loss | | | | | | |
| Exchange differences on translating foreign operations | (1,455) | 2,566 | NM | (4,427) | 4,601 | NM |
| Other comprehensive (loss)/income for the period/year, net of tax | (1,455) | 2,566 | NM | (4,427) | 4,601 | NM |
| Total comprehensive income for the period/year | 6,970 | 3,743 | 86 | 7,375 | 10,644 | (31) |
| Profit attributable to: | | | | | | |
| Owners of the Company | 4,063 | 662 | 514 | 5,037 | 2,281 | 121 |
| Non-controlling interests | 4,362 | 515 | 747 | 6,765 | 3,762 | 80 |
| Profit for the period/year | 8,425 | 1,177 | 616 | 11,802 | 6,043 | 95 |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 3,244 | 1,999 | 62 | 2,470 | 4,777 | (48) |
| Non-controlling interests | 3,726 | 1,744 | 114 | 4,905 | 5,867 | (16) |
| Total comprehensive profit for the period/year | 6,970 | 3,743 | 86 | 7,375 | 10,644 | (31) |

**Condensed interim consolidated statements of financial position
As at 31 December 2021**

| | <u>Group</u> | | <u>Company</u> | |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31 Dec 2021 US\$'000 | 31 Dec 2020 US\$'000 | 31 Dec 2021 US\$'000 | 31 Dec 2020 US\$'000 |
| ASSETS | | | | |
| Non-current assets: | | | | |
| Property, plant and equipment | 43,616 | 36,184 | - | - |
| Right-of-use assets | 5,659 | 7,324 | - | - |
| Intangible assets | 17,192 | 15,684 | - | - |
| Investments in subsidiaries | - | - | 50,000 | 50,000 |
| Investments in associates | 12,972 | 13,093 | - | - |
| Investments in joint ventures | 45,154 | 45,897 | - | - |
| Available-for-sale financial assets | 144 | 143 | - | - |
| Deferred tax assets | 1,371 | 1,485 | - | - |
| Other receivables | 1,279 | 440 | - | - |
| Total non-current assets | 127,387 | 120,250 | 50,000 | 50,000 |
| Current assets: | | | | |
| Inventories | 106,221 | 81,309 | - | - |
| Trade and other receivables | 206,151 | 153,901 | 18 | 5 |
| Amounts due from subsidiaries | - | - | 29 | 318 |
| Loan to holding company | - | 219 | - | - |
| Amounts due from related parties | 21,728 | 2,308 | - | - |
| Tax recoverable | 805 | 728 | - | - |
| Derivative financial assets | 74 | 78 | - | - |
| Cash and cash balance | 10,367 | 11,607 | - | - |
| Total current assets | 345,346 | 250,150 | 47 | 323 |
| Total assets | 472,733 | 370,400 | 50,047 | 50,323 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Provisions | 8 | 8 | - | - |
| Trade and other payables | 219,777 | 189,211 | 457 | 1,177 |
| Derivative financial liabilities | 60 | 1,154 | - | - |
| Loans and borrowings | 106,818 | 45,430 | - | - |
| Lease liabilities | 1,329 | 1,647 | - | - |
| Amounts due to holding company | 1,243 | 873 | - | - |
| Amounts due to subsidiary company | - | - | 1,176 | - |
| Amounts due to related parties | 15 | 78 | - | - |
| Income tax payable | 1,624 | 1,298 | - | - |
| Total current liabilities | 330,874 | 239,699 | 1,633 | 1,177 |
| Non-current liabilities: | | | | |
| Provisions | 17,989 | 9,690 | - | - |
| Lease liabilities | 4,554 | 5,459 | - | - |
| Deferred tax liabilities | 4,701 | 5,975 | - | - |
| Loans and borrowings | 9,297 | 11,689 | - | - |
| Other payables | 1,771 | 1,716 | - | - |
| Total non-current liabilities | 38,312 | 34,529 | - | - |
| Total liabilities | 369,186 | 274,228 | 1,633 | 1,177 |
| Equity: | | | | |
| Share capital | 545 | 545 | 545 | 545 |
| Share premium | 196,308 | 196,308 | 196,308 | 196,308 |
| Accumulated losses | (123,895) | (128,932) | (148,439) | (147,707) |
| Foreign currency translation reserve | 979 | 3,546 | - | - |
| | 73,937 | 71,467 | 48,414 | 49,146 |
| Non-controlling interests | 29,610 | 24,705 | - | - |
| Total equity | 103,547 | 96,172 | 48,414 | 49,146 |
| Total liabilities and equity | 472,733 | 370,400 | 50,047 | 50,323 |

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 2021 | 545 | 196,308 | (128,932) | 3,546 | 71,467 | 24,705 | 96,172 |
| Profit for the year, representing Total comprehensive income for the year | - | - | 5,037 | - | 5,037 | 6,765 | 11,802 |
| Exchange differences on translating foreign operations | - | - | - | (2,567) | (2,567) | (1,860) | (4,427) |
| Balance at 31 December 2021 | 545 | 196,308 | (123,895) | 979 | 73,937 | 29,610 | 103,547 |
| At 1 January 2020 | 545 | 196,308 | (131,213) | 1,050 | 66,690 | 18,838 | 85,528 |
| Profit for the year, representing Total comprehensive income for the year | - | - | 2,281 | - | 2,281 | 3,762 | 6,043 |
| Exchange differences on translating foreign operations | - | - | - | 2,496 | 2,496 | 2,105 | 4,601 |
| Balance at 31 December 2020 | 545 | 196,308 | (128,932) | 3,546 | 71,467 | 24,705 | 96,172 |

| | 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 2021 | 545 | 196,308 | (147,707) | 49,146 |
| Loss for the year, representing total comprehensive loss for the financial year | - | - | (732) | (732) |
| Balance at 31 December 2021 | 545 | 196,308 | (148,439) | 48,414 |
| At 1 January 2020 | 545 | 196,308 | (147,160) | 49,693 |
| Loss for the year, representing total comprehensive loss for the financial year | - | - | (547) | (547) |
| Balance at 31 December 2020 | 545 | 196,308 | (147,707) | 49,146 |

Condensed interim consolidated statement of cash flows

| <u>Group</u> | Three months ended 31 Dec 2021 US\$'000 | Three months ended 31 Dec 2020 US\$'000 | Twelve months ended 31 Dec 2021 US\$'000 | Twelve months ended 31 Dec 2020 US\$'000 |
|---|---|---|--|--|
| Operating activities | | | | |
| Profit before income tax | 11,292 | 930 | 16,658 | 9,719 |
| Adjustment for: | | | | |
| Depreciation and amortisation | 3,405 | 3,231 | 10,071 | 9,264 |
| Loss on disposal of property, plant and equipment | 43 | 56 | 41 | 52 |
| Fair value measurement on derivative instrument | (2,557) | 1,139 | (1,009) | 1,191 |
| Allowance for doubtful debts | 97 | 1,757 | (218) | 1,731 |
| Bad debt written-off | 45 | 361 | 539 | 673 |
| Interest expenses | 463 | 202 | 1,410 | 1,171 |
| Interest income | (83) | 6 | (222) | (302) |
| Share of results of associate and joint ventures | (164) | 72 | (1,065) | (884) |
| Negative goodwill | - | - | - | (623) |
| Exchange realignment | (3,644) | 126 | 335 | 3,175 |
| Operating cash flows before changes in working capital | 8,897 | 7,880 | 26,540 | 25,167 |
| Changes in working capital: | | | | |
| Inventories | 1,134 | (2,781) | (30,649) | (4,225) |
| Trade and other receivables | 29 | 28,275 | (64,294) | 28,498 |
| Trade and other payables | (2,972) | (52,542) | 53,546 | (76,290) |
| Cash flows generated from/(used in) operations | 7,088 | (19,168) | (14,857) | (26,850) |
| Income taxes paid | (2,380) | (2,920) | (5,277) | (2,352) |
| Interest paid | (463) | (202) | (1,410) | (1,171) |
| Interest received | 83 | (6) | 222 | 302 |
| Net cash flows generated from/(used in) operating activities | 4,328 | (22,296) | (21,322) | (30,071) |
| Investing activities | | | | |
| Cash outflow from acquisition of subsidiaries | (2,291) | (3,722) | (4,072) | (7,990) |
| Investment in available-for-sale assets | (9) | (11) | - | (3) |
| Proceeds from disposal of property, plant and equipment | 100 | 279 | 6 | 278 |
| Purchases of intangible assets, property, plant and equipment | (8,576) | (4,804) | (19,375) | (11,755) |
| Net cash flows used in investing activities | (10,776) | (8,258) | (23,441) | (19,470) |
| Financing activities | | | | |
| Proceeds from borrowings | 7,127 | 13,147 | 20,722 | 13,372 |
| Bank deposit from acquisition of subsidiaries | 1,378 | 467 | 2,307 | 8,155 |
| Repayment of lease liabilities | (756) | (779) | (2,058) | (1,516) |
| Proceeds from/(repayment to) holding company | 370 | 73 | 370 | (227) |
| Repayment of loan from/(loan to) holding company | 1,276 | (219) | 219 | (219) |
| Advances to related companies/related parties | (10,671) | (2,919) | (21,349) | (4,871) |
| Net cash flows (used in)/generated from financing activities | (1,276) | 9,770 | 211 | 14,694 |
| Net decrease in cash and cash equivalents | (7,724) | (20,784) | (44,552) | (34,847) |
| Cash and cash equivalents at the beginning of the period | (48,644) | 12,277 | (9,043) | 26,942 |
| Effect of exchange rate changes on cash and cash equivalents | 3,533 | (536) | 760 | (1,138) |
| Cash and cash equivalents at the end of the period | (52,835) | (9,043) | (52,835) | (9,043) |
| Cash and bank balance | 10,367 | 11,607 | 10,367 | 11,607 |
| Bank overdrafts | (63,202) | (20,650) | (63,202) | (20,650) |
| Cash and cash equivalents per consolidated statement of cash flows | (52,835) | (9,043) | (52,835) | (9,043) |

Selected notes for the condensed interim consolidated financial statements

A. General information

AnAn International Limited (the "Company"), is a limited liability company domiciled and incorporated in Bermuda and is listed on the Main Board of Singapore Exchange Securities Trading Limited. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is 10 Anson Road, #17-12 International Plaza, Singapore 079903.

The Company's immediate and ultimate holding company is AnAn Group (Singapore) Pte. Ltd. ("AAG"), incorporated in Singapore.

The principal activity of the Company is that of investment holding.

B. Basis of preparation

The condensed interim consolidated financial statements for the three months ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's performance.

These financial statements are presented in United States dollars ("US\$") and all values are rounded to the nearest thousand (US\$'000), unless otherwise stated.

C. Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

D. Segment and revenue information

Revenue

| | Three months ended 31 Dec 2021 US\$'000 | Three months ended 31 Dec 2020 US\$'000 | Twelve months ended 31 Dec 2021 US\$'000 | Twelve months ended 31 Dec 2020 US\$'000 |
|-----------------|--|--|---|---|
| Distribution | 574,704 | 299,373 | 1,925,400 | 1,194,065 |
| Dividend income | 464 | 350 | 996 | 874 |
| | <u>575,168</u> | <u>299,723</u> | <u>1,926,396</u> | <u>1,194,939</u> |

Operating Segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the financial year ended 31 December 2021.

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

| | <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 |
|--|---------------------------------|------------------------------|------------------------------|---|--------------------------|
| 2020 | | | | | |
| Revenue: | | | | | |
| External customers | 1,194,065 | - | - | - | 1,194,065 |
| Dividend income | 874 | - | - | - | 874 |
| Total revenue | 1,194,939 | - | - | - | 1,194,939 |
| Results: | | | | | |
| Segment results | 14,761 | (674) | (3,242) | (85) | 10,760 |
| Interest income | 302 | - | - | - | 302 |
| Finance expenses | (2,203) | (22) | - | - | (2,225) |
| Share of results of joint venture and associate | 188 | - | 694 | - | 882 |
| | 13,048 | (696) | (2,548) | (85) | 9,719 |
| Tax expense | (3,676) | - | - | - | (3,676) |
| Net profit/(loss) for the year | 9,372 | (696) | (2,548) | (85) | 6,043 |
| Segment assets: | | | | | |
| Segment assets | 321,887 | 13,529 | 56,278 | (81,769) | 309,925 |
| Investment in associates | 11,119 | - | 4,590 | (2,616) | 13,093 |
| Investment in joint ventures | 13,909 | - | 26,509 | 5,479 | 45,897 |
| Tax assets | - | - | - | 1,485 | 1,485 |
| Total assets | 346,915 | 13,529 | 87,377 | (77,421) | 370,400 |
| Segment liabilities: | | | | | |
| Segment liabilities | 270,405 | 123,428 | 10,848 | (137,726) | 266,955 |
| Tax liabilities | 6,460 | - | - | 813 | 7,273 |
| Total liabilities | 276,865 | 123,428 | 10,848 | (136,913) | 274,228 |
| Capital expenditure | | | | | |
| | 11,755 | - | - | - | 11,755 |
| Significant non-cash items: | | | | | |
| Depreciation and amortisation | 7,741 | 274 | - | 1,249 | 9,264 |

Geographical segments

| | <u>Revenue</u> | | <u>Non-current assets</u> | |
|----------------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | <u>2021</u> US\$'000 | <u>2020</u> US\$'000 | <u>2021</u> US\$'000 | <u>2020</u> US\$'000 |
| Europe | 1,926,396 | 1,194,939 | 93,705 | 87,838 |
| Hong Kong | - | - | - | - |
| People's Republic of China | - | - | 33,635 | 32,128 |
| Singapore | - | - | 47 | 284 |
| Others | - | - | - | - |
| | 1,926,396 | 1,194,939 | 127,387 | 120,250 |

A breakdown of sales

| | <u>Group</u> | | |
|--|---|---|--------------------------------------|
| | <u>Year ended 31 Dec 2021</u> US\$'000 | <u>Year ended 31 Dec 2020</u> US\$'000 | <u>Increase/ (decrease)</u> % |
| Revenue reported for first half year | 816,403 | 567,928 | 44 |
| Net profit/(loss) after tax reported for first half year | (905) | 913 | N.M |
| Revenue reported for second half year | 1,109,993 | 627,011 | 77 |
| Net profit after tax reported for second half year | 12,707 | 5,130 | 148 |

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

| <u>Group</u> | Three | Three | Increase /(decrease) % | Twelve | Twelve | Increase /(decrease) % |
|--|-------------|-------------|------------------------------|-------------|-------------|------------------------------|
| | months | months | | months | months | |
| | ended | ended | | ended | ended | |
| | 31 Dec 2021 | 31 Dec 2020 | | 31 Dec 2021 | 31 Dec 2020 | |
| | US\$'000 | US\$'000 | | US\$'000 | US\$'000 | |
| Government credit | - | 24 | (100) | - | 24 | N.M. |
| Loss on disposal of property, plant and equipment | 43 | 56 | (23) | 41 | 52 | (21) |
| Interest income | 83 | (6) | N.M. | 222 | 302 | (26) |
| Depreciation and amortisation | 3,405 | 3,231 | 5 | 10,071 | 9,264 | 9 |
| Allowance /(Reversal of allowance) of trade debts | 97 | 1,757 | (94) | (218) | 1,731 | N.M. |
| Bad debts written-off | 45 | 361 | (88) | 539 | 673 | (20) |
| Directors' fees | 45 | 33 | 36 | 162 | 208 | (22) |
| Finance expenses | 898 | 488 | 84 | 2,819 | 2,225 | 27 |
| Professional fees | 706 | 806 | (12) | 1,952 | 2,180 | (10) |
| Rental expenses | 275 | 53 | 419 | 615 | 455 | 35 |
| Staff costs (including key management personnel compensation) | 9,641 | 7,478 | 29 | 33,456 | 26,413 | 27 |
| Travelling expenses | 162 | 105 | 54 | 646 | 320 | 102 |
| Negative goodwill | - | - | - | - | (623) | N.M. |

F. Net assets value

| | <u>Group</u> | | <u>Company</u> | |
|--|--------------|--------------|----------------|--------------|
| | 31 Dec 2021 | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2020 |
| | US cents | US cents | US cents | US cents |
| Net assets value per ordinary share | <u>1.747</u> | <u>1.688</u> | <u>1.144</u> | <u>1.161</u> |

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$73,936,572 as at 31 December 2021 (31 December 2020: US\$71,466,286) and the Company's net assets of approximately US\$48,413,777 as at 31 December 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).

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

| | <u>Unsecured</u> | | <u>Secured</u> | |
|--|------------------|-------------|----------------|-------------|
| | 31 Dec 2021 | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2020 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Amount payable in one year or less or on demand | 6,298 | 10,533 | 101,849 | 39,073 |
| Amount payable after one year | 13,850 | 21,263 | - | - |

Details of any collateral

The secured borrowings of US\$101,849,312 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 31 December 2021, the Group has also given guarantees in the amount of US\$13.79 million as follows:

- i) Bank guarantees in the amount of US\$11.99 million to 5 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\$1.80 million in favour of a joint venture company in France.

Other information required under listing manual

- 1a(i) Details of any changes in the Company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the corresponding period of the immediately preceding financial year.**

There have been no changes in the Company's share capital since the end of the previous period reported.

The Company did not have any treasury shares, subsidiary holdings or other convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1a(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares as at end of 31 December 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 31 December 2021 and 31 December 2020.

- 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 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 dividend

| | <u>Group</u> | | | |
|---|--------------------|---------------|---------------------|---------------|
| | Three months ended | | Twelve months ended | |
| | 31 Dec 2021 | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2020 |
| | US\$ | US\$ | US\$ | US\$ |
| Profit/(loss) attributable to owners of the Company | 4,063,361 | 661,457 | 5,037,131 | 2,280,459 |
| 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 | 0.0960 | 0.0156 | 0.1190 | 0.0539 |
| 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 | 0.0960 | 0.0156 | 0.1190 | 0.0539 |
| Weighted average number of ordinary shares in issue | 4,233,185,850 | 4,233,185,850 | 4,233,185,850 | 4,233,185,850 |

7. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of the Group’s financial performance

The Group’s revenue in the fourth quarter of the year (“**4Q 2021**”) increased to US\$575.17 million from US\$299.72 million in the fourth quarter of last year (“**4Q 2020**”), being a quarter to quarter (“**Q-to-Q**”) increase of 92% . The Group’s revenue increased by 61% from US\$1.19 billion for the financial year ended 31 December 2020 (“**FY2020**”) to US\$1.93 billion for the financial year ended 31 December 2021 (“**FY2021**”). The increase in the revenue for both 4Q 2021 and FY2021 as compared to the corresponding periods in 2020 were attributable to the steady recovery of the sale volume as compared to FY2020, during which, COVID-19 drastic lockdown containment measures were implemented.

The cost of sales has increased to US\$1.83 billion in FY2021, an increase of 62% from US\$1.13 billion in FY2020, which was in line with the increase in revenue. However, the gross profit margin has decreased from 5.6% in FY2020 to 4.9% in FY2021, which was mainly due to the stiffer market competition faced by the Dyneff Group.

Other operating income of US\$0.21 million for 4Q 2021 was a 75% reduction as compared to US\$0.87 million in 4Q 2020 as a result of the exchange differences as EUR weakened against USD during the reporting period. Other operating income for FY2021 and FY2020 were US\$0.4 million and US\$2.04 million respectively, a decrease of US\$1.64 million was mainly 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 exchange loss of US\$0.96 million from weakening EUR against USD.

Selling and distribution expenses increased by 17% from US\$14.79 million in 4Q 2020 to US\$17.28 million in 4Q 2021. It also increased by 23% million from US\$49.74 million in FY2020 to US\$61.23 million in FY2021. The overall increase of US\$11.49 million in FY2021 was mainly due to higher staff costs of US\$6.84 million from salary increment and increased headcounts; higher depreciation of US\$0.86 million; software expenses of US\$1.21 million; insurance and office supplies of US\$0.8 million; other expenses of US\$0.59 million due to repairs and maintenance of the oil distribution equipment; utilities of US\$0.47 million and taxes of US\$0.26 million. The selling and distribution expenses were not in correlation to the Group's revenue as the significant fixed staff costs does not fluctuate according to the revenue generated.

Administrative expenses remained constant as compared to FY2020.

Other operating expenses in 4Q 2021 and FY2021 were US\$9.07 million and US\$10.08 million respectively, as compared to US\$3.15 million in 4Q 2020 and US\$3.8 million in FY2020. The increase of US\$6.27 million in FY2021 was mainly due to the accruals of additional energy certificate in FY2021 of US\$8.4 million, partially net off by the reversal of provision for bad and doubtful debts of US\$1.95 million.

Finance expenses increased from US\$0.49 million in 4Q 2020 to US\$0.9 million in 4Q 2021 and US\$2.23 million in FY2020 to US\$2.82 million in FY2021 due to higher interest expenses from bank borrowings and bank commissions incurred by Dyneff Group.

The share of profits of associates and joint ventures was US\$0.16 million in 4Q 2021 as compared to negative US\$0.08 million in 4Q 2020. This increase in 4Q 2021 was mainly due to the increase in share of profits in associates under Dyneff Group of US\$0.45 million, offset by the decrease in share of profits in associates and joint ventures in China of US\$0.21 million. Overall, the share of profits of associates and joint ventures has steadily increased from US\$0.88 million in FY2020 as compared to US\$1.07 million in FY2021.

Income tax expenses for FY2021 increased by 32% from US\$3.68 million in FY2020 to US\$4.86 million in FY2021 was in line with the higher profit made by the distribution business in France and Spain.

The Group recorded a net profit of US\$8.43 million for 4Q 2021 and US\$11.8 million for FY2021 as compared to a net profit of US\$1.18 million for 4Q 2020 and US\$6.04 million for FY2020. These were attributable to the increase in revenue by the distribution business, partially offset by the increase of overall selling and distribution, operating and finance expenses.

Review of the Group's financial position

The Group's non-current assets stand at US\$127.39 million as at 31 December 2021 compared to US\$120.25 million as at 31 December 2020, and comprised property, plant and equipment of US\$43.62 million, right-of-use assets of US\$5.66 million, intangible assets of US\$17.19 million, investments in associates and joint ventures of US\$58.13 million, available-for-sale financial assets of US\$0.14 million, deferred tax assets of US\$1.37 million and other receivables of US\$1.28 million. The increase of US\$7.14 million was mainly attributable to Dyneff Group's addition of the intangible assets, property, plant and equipment of US\$19.37 million, addition of intangible and fixed assets through acquisition of subsidiaries of US\$2.36 million, increase in other long-term trade receivables mainly due to additional factoring deposit of USD 0.8 million, offset by the depreciation and amortisation of US\$10.08 million, exchange alignment of US\$3.04 million due to EUR weakens against USD and write-off of assets of US\$0.8 million.

The current assets stood at US\$345.35 million as 31 December 2021 compared to US\$250.15 million as at 31 December 2020. Overall, the increase of US\$95.20 million in current assets was from the increase of US\$24.91 million in inventory, US\$52.50 million in trade and other receivables, US\$19.42 million in amount due from related companies and offset by the decrease of US\$0.22 million in loan to holding company and cash at bank of US\$1.24 million. 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 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 parties of US\$19.42 million was

advances provided by Dyneff SAS to one joint venture, which is in the midst of obtaining long term financing, for the capital expenditure requirements.

The increase of US\$91.17 million in current liabilities was due to an increase of US\$61.39 million in loans and borrowing and US\$30.56 million in trade and other payable, a decrease of US\$ 1.09 million in derivative financial liabilities as well as the increase of US\$0.33 million in income tax payable. The increase in loan and borrowings was mainly due to the increase in bank overdraft of US\$42.55 million and short-term loans of US\$20.72 million were used in operating and financing activities for FY2021. The higher trade and other payables were mainly attributable to increase of US\$23.76 million in trade payable in line with the increase in the unit costs as well as the volume of the inventory and US\$6.74 million in France VAT and deferred revenue. The increase of US\$3.78 million in non-current liabilities as attributable to the increase in provision of US\$ 8.3 million, partially offset by the decrease in lease liabilities of US\$0.91 million and deferred tax liabilities of US\$1.27 million and loans and borrowings of US\$2.40 million.

Overall, the Group's net assets stood at US\$73.94 million as at 31 December 2021, or 1.75 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\$4.33 million in 4Q 2021, as compared to net cash flows used in operating activities of US\$22.30 million in 4Q 2020. This increase in cash flow generated from operating activities was mainly attributable to lower outflow of cash used in trade and other payables, coupled with the higher cash inflow from inventory, offset by the decrease in cash generated in trade and other receivables. The lower net cash flows used in operating activities of US\$21.32 million in FY2021, as compared US\$30.07 million in FY2020 was mainly due to the higher cash inflow in trade and other payables, partially offset by the increase in tax paid, higher cash outflow in inventory and trade and other receivables.

The net cash flows used in investing activities of US\$10.78 million and US\$23.44 million in 4Q 2021 and FY2021 respectively as compared to US\$8.26 million and US\$19.47 million in 4Q 2020 and FY2020 respectively was due to purchases of intangible assets and property, plant and equipment and acquisition of the subsidiaries by our Group in France.

The net cash flows used in financing activities of US\$1.28 million in 4Q 2021, as compared to net cash flows generated from financing activities of US\$9.77 million in 4Q 2020 was mainly attributable to higher outflow in advanced to related parties and lower inflow from borrowings, partially offset by the increase of cash deposit from acquisition of subsidiaries and higher proceeds of loan from its holding company. The net cash flows generated from financing activities was US\$0.21 million in FY2021, as compared to net cash flows generated from financing activities of US\$14.69 million in FY2020 was mainly due to higher advances to related parties, lower of cash deposit from acquisition of subsidiaries from borrowings, partially offset by increase in proceeds in borrowings.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$10.37 million and bank overdrafts of US\$63.20 million as at 31 December 2021.

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.

The Group intends to pursue and explore further business opportunities in the People's Republic of China (PRC) through the Company's wholly-owned indirect subsidiary, Shanghai Dajiang Shenyuan Equity Investment Fund Management Co., Ltd. ("Shanghai Dajiang"). To capitalise on potential business opportunities in the PRC, the Board of Shanghai Dajiang has initiated a capital call in the amount of US\$600,000 on its unpaid capital on 22 February 2022. Shanghai Dajiang had been capitalized at US\$3,050,000 as at 22 February 2022.

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 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.

| Transactions | USD |
|--|------------|
| Loan provided by HKCEFS to AAG | 971,983 |
| Interest charged on loan by HKCEFS to AAG | 17,961 |
| Expenses paid on behalf of AAG by SPE | 66,335 |
| Loan repayment by AAG to HKCEFS and amount hold on trust by HKCEFS for AAG | 1,656,751 |

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

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

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

Please refer to the Section 7 of this announcement.

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

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

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

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

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

The Company had on 29 October 2021 announced that the Company's French Subsidiary, Dyneff SAS, has entered into a share purchase agreement on 27 October 2021 for the proposed acquisition of 100% equity interest of the following entity:

| | | |
|-------------------------------------|---|--|
| Name | : | ABC CARBURANTS Sarl |
| Principal Activity | : | Distribution of refined petroleum products |
| Country of incorporation | : | France |
| Paid-up Capital | : | EUR 7,130 |
| Net asset value as at 31 March 2021 | : | EUR 1,103,166 |
| Number of share(s) | : | 713 ordinary shares |
| Consideration | : | EUR 2,057,445 |

The impact of the above acquisition that would have on the Group's results is also disclosed in the announcement on 29 October 2021.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 25 February 2022