



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

Pursuant to Rule 705(2C) of the Listing Manual, the Singapore Exchange Regulation requires the Company to announce its quarterly financial statements.

**Condensed Interim Consolidated Financial Statements
For the Nine Months Period Ended 30 September 2024**

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**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the nine months period ended 30 September 2024**

<u>Group</u>	Three months ended	Three months ended	Increase	Nine months ended	Nine months ended	Increase
	30 Sep 2024 US\$'000 (Unaudited)	30 Sep 2023 US\$'000 (Unaudited)	/(decrease) %	30 Sep 2024 US\$'000 (Unaudited)	30 Sep 2023 US\$'000 (Unaudited)	/(decrease) %
Revenue	627,161	687,109	(9)	1,762,149	1,931,606	(9)
Cost of sales	(595,239)	(656,269)	(9)	(1,690,850)	(1,849,755)	(9)
Gross profit	31,922	30,840	4	71,299	81,851	(13)
Other income	233	659	(65)	1,094	5,376	(80)
Selling and distribution expenses	(25,702)	(20,273)	27	(70,189)	(58,501)	20
Administrative expenses	(950)	(974)	(2)	(3,004)	(3,400)	(12)
Other operating income/(expenses)	143	(426)	N.M	150	(174)	N.M
Net impairment loss on receivables	(105)	(68)	54	(320)	(4,726)	(93)
Bad debt written off	-	(71)	N.M	-	(178)	N.M
Finance expenses	(1,862)	(2,414)	(23)	(6,673)	(5,238)	27
Share of results of associates and joint ventures	714	228	213	2,453	1,148	114
Profit/(Loss) before income tax	4,393	7,501	(41)	(5,190)	16,158	(132)
Income tax (expenses)/credit	(1,491)	(2,455)	(39)	1,852	(5,031)	N.M
Profit/(Loss) for the period	2,902	5,046	(42)	(3,338)	11,127	(130)
Other comprehensive income/(loss):						
Item that may be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation	4,585	(3,124)	N.M	1,930	(1,237)	N.M
Other comprehensive income/(loss) for the period	4,585	(3,124)	N.M	1,930	(1,237)	N.M
Total comprehensive income/(loss) for the period	7,487	1,922	290	(1,408)	9,890	N.M
Profit/(Loss) attributable to:						
Owners of the Company	1,494	2,598	(42)	(1,769)	4,762	N.M
Non-controlling interests	1,408	2,448	(42)	(1,569)	6,365	N.M
Profit/(Loss) for the period	2,902	5,046	(42)	(3,338)	11,127	(130)
Total comprehensive income/(loss) attributable to:						
Owners of the Company	6,401	(745)	N.M	123	3,402	(96)
Non-controlling interests	1,086	2,667	(59)	(1,531)	6,488	N.M
Total comprehensive income/(loss) for the period	7,487	1,922	290	(1,408)	9,890	(114)

N.M – Not Meaningful

**Condensed interim consolidated statements of financial position
As at 30 September 2024**

	<u>Group</u>		<u>Company</u>	
	30 Sep 2024 US\$'000	31 Dec 2023 US\$'000	30 Sep 2024 US\$'000	31 Dec 2023 US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	87,386	86,238	-	-
Right-of-use assets	3,899	4,729	-	-
Intangible assets	31,304	27,173	-	-
Investments in subsidiaries	-	-	50,000	50,000
Investments in associates	8,189	8,132	-	-
Investments in joint ventures	46,853	46,232	-	-
Other investments	656	362	-	-
Deferred tax assets	1,349	1,334	-	-
Other receivables	1,293	1,484	-	-
Total non-current assets	180,929	175,684	50,000	50,000
Current assets:				
Inventories	96,273	106,345	-	-
Trade and other receivables	190,129	218,355	18	30
Amounts due from related parties	2,215	13,180	-	-
Tax recoverable	1,301	4,548	-	-
Derivative financial assets	497	371	-	-
Cash and bank balances	48,289	49,152	-	-
Total current assets	338,704	391,951	18	30
Total assets	519,633	567,635	50,018	50,030
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	8	-	-
Trade and other payables	241,020	234,368	89	147
Derivative financial liabilities	881	551	-	-
Loans and borrowings	81,050	126,382	-	-
Lease liabilities	95	1,345	-	-
Amounts due to holding company	48	49	-	-
Amounts due to subsidiary company	-	-	1,709	1,711
Amounts due to related parties	-	35	-	-
Total current liabilities	323,102	362,738	1,798	1,858
Non-current liabilities:				
Provisions	20,530	20,226	-	-
Lease liabilities	4,022	3,489	-	-
Deferred tax liabilities	1,041	2,785	-	-
Loans and borrowings	16,300	21,021	-	-
Other payables	2,361	3,691	-	-
Total non-current liabilities	44,254	51,212	-	-
Total liabilities	367,356	413,950	1,798	1,858
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(98,906)	(97,137)	(148,633)	(148,681)
Foreign currency translation reserve	3,125	1,233	-	-
	101,072	100,949	48,220	48,172
Non-controlling interests	51,205	52,736	-	-
Total equity	152,277	153,685	48,220	48,172
Total liabilities and equity	519,633	567,635	50,018	50,030

Condensed interim statements of changes in equity

	Attributable to the Owners of the Company						Total equity US\$'000
	Share capital	Share premium	Accumulated losses	Foreign currency translation reserve	Equity attributable to owners of the Company	Non-controlling interests	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Group							
At 1 January 2024	545	196,308	(97,137)	1,233	100,949	52,736	153,685
Loss for the period, representing Total comprehensive loss/(income) for the period	-	-	(1,769)	-	(1,769)	(1,569)	(3,338)
Currency translation differences	-	-	-	1,892	1,892	38	1,930
Balance at 30 September 2024	545	196,308	(98,906)	3,125	101,072	51,205	152,277
At 1 January 2023	545	196,308	(102,770)	(2,534)	91,549	51,502	143,051
Profit for the period, representing Total comprehensive income for the period	-	-	4,762	-	4,762	6,365	11,127
Currency translation differences	-	-	-	(1,360)	(1,360)	123	(1,237)
Dividend paid	-	-	-	-	-	(2,688)	(2,688)
Balance at 30 September 2023	545	196,308	(98,008)	(3,894)	94,951	55,302	150,253

	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 2024	545	196,308	(148,681)	48,172
Profit for the period, representing total comprehensive income for the period	-	-	48	48
Balance at 30 September 2024	545	196,308	(148,633)	48,220
At 1 January 2023	545	196,308	(148,670)	48,183
Profit for the period, representing total comprehensive income for the period	-	-	12	12
Balance at 30 September 2023	545	196,308	(148,658)	48,195

Condensed interim consolidated statement of cash flows

Group	Three months ended 30 Sep 2024 US\$'000 (Unaudited)	Three months ended 30 Sep 2023 US\$'000 (Unaudited)	Nine months ended 30 Sep 2024 US\$'000 (Unaudited)	Nine months ended 30 Sep 2023 US\$'000 (Unaudited)
Operating activities				
Profit/(Loss) before income tax	4,393	7,501	(5,190)	16,158
Adjustment for:				
Depreciation and amortisation	4,947	3,161	12,151	8,492
Gain on disposal of property, plant and equipment	(24)	(23)	(40)	(38)
Loss on disposal of a subsidiary	-	-	-	1,106
Fair value measurement on derivative instrument	178	3,736	202	3,002
Allowance for doubtful debts	105	68	320	4,726
Bad debts written-off	-	71	-	178
Interest expenses	1,258	1,582	4,980	3,512
Interest income	(74)	(594)	(1,070)	(1,760)
Share of results of associate and joint ventures	(714)	(228)	(2,453)	(1,148)
Exchange realignment	1,923	(181)	927	1,086
Operating cash flows before changes in working capital	11,992	15,093	9,827	35,314
Changes in working capital:				
Inventories	20,188	(39,168)	5,396	(25,289)
Trade and other receivables	40,776	(26,517)	29,200	(44,650)
Trade and other payables	(19,234)	17,663	10,228	52,121
Cash flows genrating from/(used in) operations	53,722	(32,929)	54,651	17,496
Income taxes refund/(paid)	777	590	3,422	(14,322)
Interest paid	(1,258)	(1,582)	(4,980)	(3,512)
Interest received	74	594	1,070	1,760
Net cash flows generated/(used in) from operating activities	53,315	(33,327)	54,163	1,422
Investing activities				
Cash outflow from acquisition of subsidiaries	-	(4,076)	(3,784)	(5,921)
Proceeds from disposal of a subsidiary	-	21	-	3,466
Proceeds from disposal of property, plant and equipment	27	84	56	129
Purchases of intangible assets, property, plant and equipment	(1,979)	(7,993)	(9,850)	(28,260)
Net cash flows used in investing activities	(1,952)	(11,964)	(13,578)	(30,586)
Financing activities				
Net proceeds from/(repayment of) borrowings	(14,305)	35,419	(14,828)	36,742
Repayment of lease liabilities	(87)	(455)	(896)	(973)
Repayment of loan from holding company	-	-	-	(1)
Proceeds from/(repayment to) related companies/related parties	4,598	2,169	11,079	461
Dividend paid to non-controlling interests	-	(2,688)	-	(2,688)
Net cash flows (used in)/generated from financing activities	(9,794)	34,445	(4,645)	33,541
Net increase/(decrease) in cash and cash equivalents	41,569	(10,846)	35,940	4,377
Cash and cash equivalents at the beginning of the period	(16,774)	(23,137)	(12,154)	(38,082)
Effect of exchange rate changes on cash and cash equivalents	(1,555)	(338)	(546)	(316)
Cash and cash equivalents at the end of the period	23,240	(34,321)	23,240	(34,021)
Cash and bank balances	48,289	18,590	48,289	18,590
Bank overdrafts	(25,049)	(52,911)	(25,049)	(52,911)
Cash and cash equivalents per consolidated statement of cash flows	23,240	(34,321)	23,240	(34,321)

Selected notes for the condensed interim consolidated financial statements

A. General information

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

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

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

B. Basis of preparation

The condensed interim consolidated financial statements for the nine months period ended 30 September 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's performance.

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

C. Use of judgements and estimates

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

D. Segment information

Operating Segments

The Group's business is organised and managed separately according to the nature of the services provided. The following table presents revenue and profit information regarding business segments for the nine months financial period ended 30 September 2024 ("9M 2024").

	<u>Distribution</u> US\$'000	<u>Wholesale</u> US\$'000	<u>Corporate</u> US\$'000	<u>Adjustments and eliminations</u> US\$'000	<u>Total</u> US\$'000
9M2024					
Revenue:					
External customers	1,762,149	-	-	-	1,762,149
Dividend income	-	-	-	-	-
Total revenue	<u>1,762,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,762,149</u>
Results:					
Segment results	(423)	578	(1,957)	(238)	(2,040)
Interest income	808	1	261	-	1,070
Finance expenses	(6,664)	(6)	(3)	-	(6,673)
Share of results of joint venture and associate	931	-	1,522	-	2,453
	<u>(5,348)</u>	<u>573</u>	<u>(177)</u>	<u>(238)</u>	<u>(5,190)</u>
Tax expense	1,852	-	-	-	1,852
Net profit/(loss) for the period	<u>(3,496)</u>	<u>573</u>	<u>(177)</u>	<u>(238)</u>	<u>(3,338)</u>
Segment assets:					
Segment assets	516,539	442	59,887	(113,626)	463,242
Investment in associates	10,330	-	-	(2,141)	8,189
Investment in joint ventures	10,900	-	26,554	9,399	46,853
Tax assets	-	-	-	1,349	1,349
Total assets	<u>537,769</u>	<u>442</u>	<u>86,441</u>	<u>(105,019)</u>	<u>519,633</u>
Segment liabilities:					
Segment liabilities	407,553	121,163	16,947	(178,047)	367,616
Tax liabilities	(999)	-	-	739	(260)
Total liabilities	<u>406,554</u>	<u>121,163</u>	<u>16,947</u>	<u>(177,308)</u>	<u>367,356</u>
Capital expenditure					
	<u>9,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,850</u>
Significant non-cash items:					
Depreciation and amortisation	<u>11,979</u>	<u>69</u>	<u>103</u>	<u>-</u>	<u>12,151</u>

	<u>Distribution</u> US\$'000	<u>Wholesale</u> US\$'000	<u>Corporate</u> US\$'000	<u>Adjustments and eliminations</u> US\$'000	<u>Total</u> US\$'000
9M 2023					
Revenue:					
External customers	1,929,837	-	-	-	1,929,837
Dividend income	1,769	-	-	-	1,769
Total revenue	1,931,606	-	-	-	1,931,606
Results:					
Segment results	21,029	906	441	(3,888)	18,488
Interest income	1,758	-	2	-	1,760
Finance expenses	(5,231)	(1)	-	(6)	(5,238)
Share of results of joint venture and associate	38	-	1,110	-	1,148
	17,594	905	1,553	(3,894)	16,158
Tax expense	(5,031)	-	-	-	(5,031)
Net profit/(loss) for the period	12,563	905	1,553	(3,894)	11,127
Segment assets:					
Segment assets	560,628	648	58,737	(74,219)	545,794
Investment in associates	10,202	-	4,367	(6,620)	7,949
Investment in joint ventures	11,783	-	26,554	7,487	45,824
Tax assets	-	-	-	1,278	1,278
Total assets	582,613	648	89,658	(72,074)	600,846
Segment liabilities:					
Segment liabilities	455,070	122,583	15,377	(141,468)	451,562
Tax liabilities	(1,671)	-	-	700	(971)
Total liabilities	453,399	122,583	15,377	(140,768)	450,591
Capital expenditure					
	28,260	-	-	-	28,260
Significant non-cash items:					
Depreciation and amortisation	8,337	45	191	-	8,573

E. 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 2024 US\$'000 (Unaudited)	30 Sep 2023 US\$'000 (Unaudited)	/(decrease) %	30 Sep 2024 US\$'000 (Unaudited)	30 Sep 2023 US\$'000 (Unaudited)	/(decrease) %
Gain on disposal of property, plant and equipment	(24)	(23)	4	(40)	(38)	5
Interest income	(74)	(594)	(88)	(1,070)	(1,760)	(39)
Loss on disposal of a subsidiary	-	-	-	-	1,106	N.M
Depreciation and amortisation	4,947	3,161	57	12,151	8,492	43
Allowance for doubtful debts	105	68	54	320	4,726	(93)
Bad debts written-off	-	71	N.M	-	178	N.M
Directors' fees	29	28	4	84	83	1
Finance expenses	1,862	2,414	(23)	6,673	5,238	27
Professional fees	518	469	10	1,494	1,820	(18)
Rental expenses	1,795	2,208	(19)	6,788	6,302	8
Staff costs (including key management personnel compensation)	12,308	10,524	17	34,381	31,088	11
Travelling expenses	302	195	55	659	705	(7)

F. Net assets value

	<u>Group</u>		<u>Company</u>	
	30 Sep 2024 US cents	31 Dec 2023 US cents	30 Sep 2024 US cents	31 Dec 2023 US cents
Net assets value per ordinary share	2.388	2.385	1.139	1.138

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$101,072,000 as at 30 September 2024 (31 December 2023: US\$100,949,000) and the Company's net assets of approximately US\$48,220,000 as at 30 September 2024 (31 December 2023: US\$48,172,000) and share capital of 4,233,185,850 shares (31 December 2023: 4,233,185,850 shares).

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2024 US\$'000	31 Dec 2023 US\$'000	30 Sep 2024 US\$'000	31 Dec 2023 US\$'000
Amount payable in one year or less or on demand	5,673	8,672	75,377	117,710
Amount payable after one year	16,300	21,021	-	-

Details of any collateral

The secured borrowings of US\$75,377,000 are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 September 2024, the Group has also given guarantees in the amount of US\$51.97 million as follows:

- i) Bank guarantees in the amount of US\$51.85 million to 11 oil product suppliers to secure certain favourable buying conditions and payment terms for 2 subsidiaries and a joint venture company; and
- ii) Letter of support to banks in the amount of US\$0.12 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 2024 and 31 December 2023 was 4,233,185,850 shares. There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 September 2024 and 31 December 2023.

- 1a(iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company does not have any treasury shares.

- 1a(iv) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have neither been reviewed nor audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable as the Company's auditors have issued unqualified audit opinion for FY2023 audited financial statements.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group are consistent with those used in its most recent audited financial statements as well as all the applicable new/revised International Financial Reporting Standards ("IFRS") and IFRS interpretations ("INT IFRS") which came into effect for the financial years beginning on or after 1 January 2024.

5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial year, the Group has adopted the new and revised IFRS, and INT IFRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised IFRS or INT IFRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend.

	<u>Group</u>			
	Three months ended		Nine months ended	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	US\$	US\$	US\$	US\$
Profit/(Loss) attributable to owners of the Company	1,494,422	2,597,853	(1,769,131)	4,761,673
Profit/(Loss) per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	0.035	0.061	(0.042)	0.112
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	0.035	0.061	(0.042)	0.112
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

In the third quarter of the year ("**3Q 2024**"), the Group's revenue declined by 9% on quarter to quarter ("**Q-to-Q**") basis, falling to US\$627.16 million from US\$687.11 million in the third quarter of 2023 ("**3Q 2023**"). Revenue also decreased by 9% from US\$1,931.61 million for the nine months ended 30 September 2023 ("**9M 2023**") to US\$1,762.15 million for the nine months ended 30 September 2024 ("**9M 2024**"). The Group's revenue was derived from the Group's fuel distribution business in France and Spain ("**Dyneff Group**"). The revenue declines in both 3Q 2024 and 9M 2024 compared to the corresponding periods in 2023 were mainly due to reduced sales volumes stemming from lower customer demand.

Cost of sales decreased to US\$1,690.85 million in 9M 2024, down 9% from US\$1,849.76 million in 9M 2023, consistent with the revenue reduction.

Gross profit rose to US\$31.92 million in 3Q 2024, a 4% increase from US\$30.84 million in 3Q 2023. This improvement was mainly due to a gross margin increase of 0.60% from 4.49% in 3Q 2023 to 5.09% in 3Q 2024. However, over the nine months, gross profit declined by 13% from US\$81.85 million in 9M 2023 to US\$71.30 million in 9M 2024. This overall decrease was primarily attribute to reduced sales volume and a gross profit margin decline of 0.19%, from 4.24% in 9M 2023 to 4.05% in 9M 2024, due to heightened competition in distribution markets within the Dyneff Group..

Other income was US\$0.23 million in 3Q 2024, compared to US\$0.66 million in 3Q 2023. This decrease was mainly due to reduced interest income in 3Q 2024. For 9M 2024 and 9M 2023, other income was US\$1.09 million and US\$5.38 million, respectively. The US\$4.29 million decline was mainly due to the factor mentioned above, as well as lower forfeited deposits collected from Dyneff Group customers in 9M 2024 compared to 9M 2023.

Selling and distribution expenses increased by 27% from US\$20.27 million in 3Q 2023 to US\$25.70 million in 3Q 2024. These expenses also rose by 20% from US\$58.50 million in 9M 2023 to US\$70.19 million in 9M 2024. The overall increase of US\$11.69 million was mainly due to higher depreciation of US\$3.64 million as a result of purchase of property, plant and equipment, increased staff costs of US\$3.30 million due to higher headcounts; an increase in repair and maintenances expenses of US\$2.42 million, higher utilities of US\$1.07 million, higher insurance of US\$0.57 million, and higher equipment rental costs of US\$0.53 million. This cost increases were mainly due to the full 9M impact of newly added petrol gas stations and newly acquired companies in 2023 and 2024.

Administrative expenses decreased by 2% from US\$0.97 million in 3Q 2023 to US\$0.95 million in 3Q 2024. They also decreased by 12% from US\$3.40 million in 9M 2023 to US\$3.00 million in 9M 2024, The overall decrease was mainly due to the Group incurred lesser professional and consultancy fees of US\$0.33 million related to due-diligence work conducted on potential acquisition projects.

Net impairment loss on receivables increased by 54% from US\$0.07 million in 3Q 2023 to US\$0.10 million in 3Q 2024. However, it decreased by 93% from US\$4.73 million in 9M 2023 to US\$0.32 million in 9M 2024. The overall decrease of US\$4.41 million was mainly due to fewer receivables meeting the criteria for impairment in 9M 2024, compared to 9M 2023. No bad debts were written off in 9M 2024 compared to 9M 2023.

Finance expenses decreased by 23%, from US\$2.41 million in 3Q 2023 to US\$1.86 million in 3Q 2024, due to lower finance costs following repayment of borrowings in 3Q 2024. However, over nine months, finance expenses increased by 27% from US\$5.24 million in 9M 2023 to US\$6.67 million in 9M 2024. The overall increase was mainly due to higher interest expenses from bank borrowings and bank commissions incurred by Dyneff Group.

The share of profits of associates and joint ventures increased by 213% from US\$0.23 million in 3Q 2023 to US\$0.71 million in 3Q 2024. It also rose by 114% from US\$1.15 million in 9M 2023 to US\$2.45 million in 9M 2024. The overall increase was mainly due to a combined US\$0.48 million increase in share of profits from both French associate and Chinese joint venture in 3Q 2024 compared to 3Q 2023.

The Group recorded a net profit of US\$2.90 million in 3Q 2024 but a net loss of US\$3.34 million in 9M 2024, compared to net profits of US\$5.05 million in 3Q 2023 and US\$11.13 million in 9M 2023. In overall, these were attributable to the lower gross profit margin and the decreased revenue from the Group's fuel distribution business.

Review of the Group's financial position

The Group's non-current assets were US\$180.93 million as at 30 September 2024, compared to US\$175.68 million as at 31 December 2023. These assets comprised property, plant and equipment of US\$87.39 million, right-of-use assets of US\$3.90 million; intangible assets of US\$31.30 million, investments in associates and joint ventures of US\$55.04 million, other investments of US\$0.66 million, deferred tax assets of US\$1.35 million and other receivables of US\$1.29 million. The increase of US\$5.25 million was mainly attributable to Dyneff Group's addition of the intangible assets of US\$3.78 million, property, plant and equipment of US\$9.68 million, right -of use assets of US\$0.17 million. increase in investment in associates and joint venture of US\$0.68 million, and increase in other investments of US\$0.29 million, offset by the depreciation and amortisation of US\$12.15 million during the reporting period.

The current assets stood at US\$338.70 million as 30 September 2024 compared to US\$391.95 million as at 31 December 2023. The overall decrease of US\$53.25 million in current assets was mainly from the decrease of US\$28.23 million in trade and other receivables, US\$10.97 million in amounts due from related parties, US\$10.07 million in inventories, and US\$3.25 million from tax recoverable. The decrease in trade receivables and inventories were mainly due to the collection of trade receivables and sales of inventories by a newly acquired subsidiary CPA SAS, a wholesale distributor, in 2024. The decrease in tax recoverable was mainly due to partial receipt of tax refund by Dyneff Group from the tax authority in France. The decrease in the amounts due from related parties was due to the repayment of the advances provided by Dyneff SAS to a joint venture, which was in the midst of obtaining long term financing for the capital expenditures.

The decrease of US\$39.64 million in current liabilities was mainly due to the decrease of US\$45.33 million in loans and borrowings, partially offset by an increase of US\$6.65 million in trade and other payables. The higher trade and other payables were mainly attributable to the resume of normal credit terms compared to the shorter payment periods requested by the suppliers as at 31 December 2023. The decrease in loans and borrowings was mainly as result of repayments to banks. The decrease of US\$6.96 million in non-current liabilities was mainly due to a reduction in loans and borrowings of US\$4.72 million as a result of repayments.

Overall, the Group's net assets stood at US\$101.07 million as at 30 September 2024, or 2.39 US cents per share, compared to US\$100.95 million as at 31 December 2023 or 2.38 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows generated from operating activities of US\$53.32 million in 3Q 2024, as compared to net cash flows used in operating activities of US\$33.33 million in 3Q 2023. This increase in cash flows generated from operating activities was mainly due to higher cash inflows from working capital changes in trade and other receivables and inventories in 3Q 2024.

The net cash flows used in investing activities of US\$1.96 million in 3Q 2024, as compared to US\$11.96 million in 3Q 2023, was mainly due to purchases of property, plant and equipment by Dyneff Group in France.

The net cash flows used in financing activities of US\$9.79 million in 3Q 2024, compared to net cash flows generated from financing activities of US\$34.45 million in 3Q 2023, was mainly due to repayments of bank borrowings, partially offset by higher repayments from a joint venture to the advances provided by Dyneff SAS in 3Q 2024.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$48.29 million and bank overdrafts of US\$25.05 million as at 30 September 2024.

8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Group's revenue is mainly derived from Dyneff Group, who is a major independent energy distributor in the French and Spanish markets. The oil distribution industry in France and Spain is grappling with transformations driven by factors such as the global push towards renewable energy, market consolidation, shifting consumer preferences towards cleaner energy sources, and global economic dynamics.

Dyneff Group's strategic plan involves maintaining its current market privileges in oil distribution with a stable customer base while diversifying its energy distribution activities to meet evolving customer demands in an increasingly diverse energy mix. In addition to pursuing organic growth, Dyneff Group is employing an acquisition strategy to explore growth opportunities, aligning with their goal of transforming from an oil distributor to an energy service provider. Despite uncertainties in the economic outlook, Dyneff Group remains cautious while continuing to focus on these strategies to ensure competitiveness and resilience in the evolving energy landscape over the next reporting period and the subsequent 12 months

10. Dividend

If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

There was no final ordinary dividend recommended.

(b) (i) Current financial period reported on.

There were no dividends declared for the financial period reported on.

(ii) Corresponding period of the immediately preceding financial year.

There were no dividends declared for the corresponding period of the immediately preceding financial year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the Dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements.

Not applicable.

11. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended as working capital is required for the Group's business activities.

12. **If the Group has obtained a general mandate from the Shareholder for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a) (ii). If no IPT mandate has been obtained, please make a statement to that effect**

The Group does not have a general mandate from shareholders for interested person transactions.

The Group has the following transaction with AnAn Group (Singapore) Pte Ltd (“AAG”), the immediate holding company in Q3 2024. The transactions were entered into between the Group’s wholly owned subsidiaries Singapore Anan Petrochemical & Energy Pte. Ltd. (“SPE”) and Hong Kong China Energy Finance Service Co., Limited (“HKCEFS”) and AAG.

<u>Transaction</u>	<u>USD</u>
Expenses paid on behalf of AAG by SPE	20
Amount hold on trust by HKCEFS for AAG	46,789

13. **Negative confirmation pursuant to Rule 705 (5)**

We, Zang Jian Jun and Siow Hung Jui, being two directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 September 2024 to be false or misleading in any material aspect.

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

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

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

There is no acquisition that requires disclosure pursuant to Rule 706(A) for this quarter of FY2024.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 14 November 2024