



UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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

<u>Group</u>	Three months ended	Three months ended	Increase /(decrease) %	Twelve months ended	Twelve months ended	Increase /(decrease) %
	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000		31 Dec 2020 US\$'000	31 Dec 2019 US\$'000	
Revenue	299,723	471,691	(36)	1,194,939	1,679,514	(29)
Cost of sales	(279,651)	(455,807)	(39)	(1,127,624)	(1,624,423)	(31)
Gross profit	20,072	15,884	26	67,315	55,091	22
Other operating income	871	273	219	2,041	1,442	42
Selling and distribution expenses	(14,794)	(13,372)	11	(49,737)	(47,299)	5
Administrative expenses	(1,504)	(1,662)	(10)	(4,755)	(5,726)	(17)
Other operating expenses	(3,153)	352	NM	(3,802)	(155)	2,353
Finance expenses	(488)	(799)	(39)	(2,225)	(3,320)	(33)
Share of results of associates and joint ventures	(74)	(109)	(32)	882	323	173
Profit before income tax	930	567	64	9,719	356	2,627
Income tax expense	247	(185)	NM	(3,676)	(1,637)	125
Profit/(Loss) for the period	1,177	382	208	6,043	(1,281)	NM
Other comprehensive income/(loss):						
Item that may be reclassified subsequently to profit or loss						
Alignment in accounting instruments	-	232	NM	-	232	NM
Exchange differences on translating foreign operations	2,566	1,010	154	4,601	(454)	NM
Other comprehensive income/(loss) for the period	2,566	1,242	107	4,601	(222)	NM
Total comprehensive income/(loss) for the period	3,743	1,624	130	10,644	(1,503)	NM
Profi/(loss) attributable to:						
Owners of the Company	662	(69)	NM	2,281	(2,698)	NM
Non-controlling interests	515	451	14	3,762	1,417	165
Profit/(loss) for the period	1,177	382	208	6,043	(1,281)	NM
Total comprehensive income/(loss) attributable to:						
Owners of the Company	1,999	645	210	4,777	(2,850)	NM
Non-controlling interests	1,744	979	78	5,867	1,347	336
Total comprehensive profit/(loss) for the period	3,743	1,624	130	10,644	(1,503)	NM

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

<u>Group</u>	Three months ended 31 Dec 2020 US\$'000	Three months ended 31 Dec 2019 US\$'000	Increase /(decrease) %	Twelve months ended 31 Dec 2020 US\$'000	Twelve months ended 31 Dec 2019 US\$'000	Increase /(decrease) %
Government credit	24	5	380	24	-	N.M
Loss on disposal of property, plant and equipment	56	657	(91)	52	811	(94)
Interest income	6	(195)	N.M	(302)	(985)	(69)
Depreciation and amortisation	3,231	1,710	89	9,264	7,761	19
Allowance of trade debts	1,757	134	1,211	1,731	(89)	N.M.
Bad debts written-off	361	95	280	673	687	(2)
Directors' fees	33	75	(56)	208	237	(12)
Finance expenses	488	799	(39)	2,225	3,320	(33)
Professional fees	806	644	25	2,180	2,104	4
Rental expenses	53	287	(82)	455	726	(37)
Staff costs (including key management personnel compensation)	7,478	6,750	11	26,413	24,238	9
Travelling expenses	105	180	(42)	320	579	(45)
Negative goodwill	-	-	-	(623)	-	N.M

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

	<u>Group</u>		<u>Company</u>	
	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	36,184	29,820	-	-
Right-of-use assets	7,324	7,213	-	-
Intangible assets	15,684	9,257	-	-
Investments in subsidiaries	-	-	50,000	50,500
Investments in associates	13,093	11,703	-	-
Investments in joint ventures	45,897	43,803	-	-
Available-for-sale financial assets	143	128	-	-
Deferred tax assets	1,485	1,356	-	-
Other receivables	440	308	-	-
Total non-current assets	120,250	103,588	50,000	50,500
Current assets:				
Inventories	81,309	69,459	-	-
Trade and other receivables	153,901	163,033	5	5
Amounts due from subsidiaries	-	-	318	288
Loan to holding company	219	-	-	-
Amounts due from related parties	2,308	2,730	-	-
Tax recoverable	728	724	-	-
Derivative financial assets	78	-	-	-
Cash and cash balance	11,607	26,957	-	-
Total current assets	250,150	262,903	323	293
Total assets	370,400	366,491	50,323	50,793
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	8	87	-	-
Trade and other payables	189,211	232,924	1,177	600
Derivative financial liabilities	1,154	78	-	-
Loans and borrowings	45,430	9,116	-	-
Lease liabilities	1,647	1,432	-	-
Amounts due to holding company	873	1,100	-	-
Amounts due to subsidiary company	-	-	-	-
Amounts due to related parties	78	247	-	-
Income tax payable	1,298	-	-	-
Total current liabilities	239,699	244,984	1,177	600
Non-current liabilities:				
Provisions	9,690	7,900	-	-
Lease liabilities	5,459	5,810	-	-
Deferred tax liabilities	5,975	5,379	-	-
Loans and borrowings	11,689	15,453	-	-
Other payables	1,716	1,437	-	-
Total non-current liabilities	34,529	35,979	-	-
Total liabilities	274,228	280,963	1,177	600
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(128,932)	(131,213)	(147,707)	(147,160)
Foreign currency translation reserve	3,546	1,050	-	-
	71,467	66,690	49,146	49,693
Non-controlling interests	24,705	18,838	-	-
Total equity	96,172	85,528	49,146	49,693
Total liabilities and equity	370,400	366,491	50,323	50,293

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

	<u>Unsecured</u>		<u>Secured</u>	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	8,004	10,533	39,073	15
Amount payable after one year	17,148	21,263	-	-

Details of any collateral

The secured borrowings of US\$39,072,815 are secured with trade receivables and inventories of the subsidiaries.

Contingent liabilities

As at 31 December 2020, the Group has also given guarantees in the amount of US\$15.11 million as follows:

- i) Bank guarantees in the amount of US\$12.22 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\$2.89 million in favour of a joint venture company in France.

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

Group	Three	Three	Twelve	Twelve
	months	months	months	months
	ended	ended	ended	ended
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit/(Loss) before income tax	930	567	9,719	356
Adjustment for:				
Depreciation and amortisation	3,231	1,710	9,264	7,761
Loss on disposal of property, plant and equipment	56	657	52	811
Reversal of impairment of assets	-	(56)	-	-
Fair value measurement on derivative instrument	1,139	215	1,191	108
Allowance for doubtful debts	1,757	229	1,731	598
Bad debt written-off	361	-	673	-
Impairment in joint venture	-	-	-	-
Interest expenses	202	501	1,171	2,217
Interest income	6	(195)	(302)	(985)
Share of results of associate and joint ventures	72	109	(884)	(323)
Negative goodwill	-	-	(623)	-
Exchange realignment	126	1,992	3,175	(222)
Operating cash flows before changes in working capital	7,880	5,729	25,167	10,321
Changes in working capital:				
Inventories	(2,781)	(1,991)	(4,225)	(24,823)
Trade and other receivables	28,275	17,214	28,498	11,854
Trade and other payables	(52,542)	5,703	(76,290)	14,410
Cash flows (used in)/generated from operations	(19,168)	26,655	(26,850)	11,762
Income taxes (paid)/refund	(2,920)	972	(2,352)	972
Interest paid	(1,479)	(501)	(1,171)	(2,217)
Interest received	1,271	195	302	985
Net cash flows (used in)/generated from operating activities	(22,296)	27,321	(30,071)	11,502
Investing activities				
Cash outflow from acquisition of subsidiaries (Note A)	(3,722)	-	(7,990)	-
Investment in available-for-sale assets	(11)	(113)	(3)	(113)
Proceeds from disposal of property, plant and equipment	279	30	278	575
Purchases of intangible assets, property, plant and equipment	(4,804)	(1,937)	(11,755)	(5,165)
Net cash flows used in investing activities	(8,258)	(2,020)	(19,470)	(4,703)
Financing activities				
Proceeds from/(repayment of) borrowings	13,147	(1,947)	13,372	3,431
Bank deposit from acquisition of subsidiaries (Note A)	467	-	8,155	-
Repayment of lease liabilities	(779)	(380)	(1,516)	(1,501)
Proceeds from/(repayment to) holding company	73	(300)	(227)	(1,400)
Loan to holding company	(219)	-	(219)	-
Proceeds from/(repayment to) related parties	(2,919)	(2,850)	(4,871)	(1,733)
Net cash flows generated from/ (used in) financing activities	9,770	(5,477)	14,694	(1,203)
Net (decrease)/increase in cash and cash equivalents	(20,784)	19,824	(34,847)	5,596
Cash and cash equivalents at the beginning of the period	12,277	6,989	26,942	20,996
Effect of exchange rate changes on cash and cash equivalents	(536)	129	(1,138)	350
Cash and cash equivalents at the end of the period	(9,043)	26,942	(9,043)	26,942
Cash and bank balance	11,607	26,957	11,607	26,957
Bank overdrafts	(20,650)	(15)	(20,650)	(15)
Cash and cash equivalents per consolidated statement of cash flows	(9,043)	26,942	(9,043)	26,942

Note A: Acquisition of a Subsidiary

	Natgas France US\$'000	Orceyre SAS US\$'000	SARL ANEQ USD'000	Total US\$'000
Total assets (excluding cash and cash equivalent)	4,780	3,464	1,236	9,480
Total liabilities	(8,311)	(3,875)	(1,150)	(13,104)
Cash and cash equivalent	4,814	2,874	467	8,155
Total net identifiable assets	1,283	2,463	543	4,589
Less: Minority interest	-	-	(232)	(232)
Total net identifiable assets attributable to the Group	1,283	2,463	311	4,057
Less: purchase consideration in cash	(660)	(4,679)	(2,651)	(7,990)
Negative goodwill/ (Goodwill)	623	(2,216)	(2,340)	

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						
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Group							
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	-	-	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
At 1 January 2019	545	196,308	(128,634)	1,321	69,540	17,491	87,031
Loss for the period, representing total comprehensive loss for the period	-	-	(2,698)	-	(2,698)	1,417	(1,281)
Alignment of accounting instruments	-	-	119	-	119	-	119
Exchange differences on translating foreign operations	-	-	-	(271)	(271)	(70)	(341)
Balance at 31 December 2019	545	196,308	(131,213)	1,050	66,690	18,838	85,528

	Attributable to the Owners of the Company			
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Company				
At 1 January 2020	545	196,308	(147,160)	49,693
Loss for the period, representing total comprehensive loss for the financial period	-	-	(547)	(547)
Balance at 31 December 2020	545	196,308	(147,707)	49,146
At 1 January 2019	545	196,308	(146,818)	50,035
Loss for the period, representing total comprehensive loss for the financial period	-	-	(342)	(342)
Balance at 31 December 2019	545	196,308	(147,160)	49,693

- 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 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 31 December 2020 and 31 December 2019 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 2020 and 31 December 2019.

- 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.

- 1d(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 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 2020.

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		Twelve months ended	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	US\$	US\$	US\$	US\$
Profit/(loss) attributable to owners of the Company	661,457	(68,569)	2,280,459	(2,697,184)
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	0.0156	(0.0016)	0.0539	(0.0637)
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	0.0156	(0.0016)	0.0539	(0.0637)
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>	
	31 Dec 2020 US cents	31 Dec 2019 US cents	31 Dec 2020 US cents	31 Dec 2019 US cents
Net assets value per ordinary share	<u>1.688</u>	<u>1.575</u>	<u>1.161</u>	<u>1.174</u>

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$71,466,286 as at 31 December 2020 (31 December 2019: US\$66,690,349) and the Company's net assets of approximately US\$49,146,024 as at 31 December 2020 (31 December 2019: US\$49,693,255) and share capital of 4,233,185,850 shares (31 December 2019: 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 in the fourth quarter of the year ("**4Q 2020**") decreased to US\$299.72 million from US\$471.69 million in the fourth quarter of last year ("**4Q 2019**"), being a quarter to quarter ("**Q-to-Q**") decrease of 36% . The Group's revenue decreased by 29% from US\$1.68 billion for the financial year ended 31 December 2019 ("**FY2019**") to US\$1.19 billion for the financial year ended 31 December 2020 ("**FY2020**"). The decrease in the revenue for both 4Q 2020 and FY2020 as compared to the corresponding periods in 2019 were attributable to the reduced sales volume due to COVID-19 lockdown containment measures implemented in both countries and the depressed global oil prices.

The breakdown of the business segment results were as follows:

	Three months ended 31 Dec 2020	Three months ended 31 Dec 2019	Twelve months ended 31 Dec 2020	Twelve months ended 31 Dec 2019
<u>Revenue</u>	US\$'000	US\$'000	US\$'000	US\$'000
Distribution	299,373	471,102	1,194,065	1,678,246
Wholesale	-	-	-	-
Dividend income	350	589	874	1,268
	<u>299,723</u>	<u>471,691</u>	<u>1,194,939</u>	<u>1,679,514</u>

Despite the lower selling prices and volume made, the Group was able to increase its margin and be competitive due the lower cost of inventory and its total gross profit of US\$20.07 million in 4Q 2020, seen an increase of 26% as compared to US\$15.88 million in 4Q 2019. The total gross profit US\$67.32 million for FY2020, an increase of US\$12.23 million compared to US\$55.09 million for FY2019.

Other operating income was US\$0.87 million and US\$0.27 million for 4Q 2020 and 4Q 2019 respectively and US\$2.04 million for FY2020 and US\$1.44 million for FY2019. The overall increase of US\$0.6 million for the year were attributable to a negative goodwill of US\$0.6 million from an acquisition of a subsidiary, currency alignment arising from the intercompany loan due to strengthening of EUR against USD of US\$ 0.75 million, offset by a reduction of interest income of US\$0.7 million.

Selling and distribution expenses increased by 11% from US\$13.37 million in 4Q 2019 to US\$14.79 million in 4Q 2020. It also increased by US\$2.44 million from US\$47.3 million in FY2019 to US\$49.74 million in FY2020. The overall increase was mainly due to higher staff costs of US\$2.55 million from more headcounts through acquisition of subsidiaries, an additional petrol station and salary increment in 2020, higher depreciation of US\$0.57 million, insurance and other taxes of US\$0.31 million, offset by the decrease in environment protection of US\$0.55 million and advertising, rental and overseas travelling expenses of US\$0.38 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 10% and 17% to US\$1.5 million and US\$4.76 million in 4Q 2020 and FY 2020 respectively, as compared to US\$1.66 million and US\$5.73 million in 4Q 2019 and FY2019 respectively. These decreases were from lower administrative salary, rental, travelling and entertainment expenses due to cost saving measures implemented.

Other operating expenses in 4Q 2020 and FY2020 were US\$3.15 million and US\$3.8 million respectively, as compared to deficit US\$0.35 million in 4Q 2019 and US\$0.16 million in FY2019. The overall increase of US\$3.6 million in FY2020 was mainly due to the provision for doubtful debts of US\$2.07 million related to a disputed outstanding receivable with a customer in France as well as the higher provision made for dismantling costs of an oil depot of US\$0.8 million and depollution costs of a petrol station of US\$0.34 million in France.

Finance expenses decreased by 39% from US\$0.8 million in 4Q 2019 to US\$0.49 million in 4Q 2020 and decreased by 33% from US\$3.32 million in FY2019 to US\$2.23million in FY2020, as a result of lower of interest expenses from bank borrowings. The share of results of associates and joint ventures was a loss of US\$0.07 million in 4Q 2020 as compared to the loss of US\$0.11 million in 4Q 2019, a profit of US\$0.88 million in FY2020 as compared to US\$0.32 million in FY2019. The increase of US\$0.56 million in FY2020 as compared to FY2019 was from improved profit of both associates and joint ventures in China. In line with the higher profit from the distribution business in France and Spain, the income tax increased by US\$2 million from US\$1.6 million in FY2019 to US\$3.6 million in FY2020.

The Group recorded a net profit of US\$1.18 million for 4Q 2020 and US\$6.04 million for FY2020 as compared to a net profit of US\$0.38 million for 4Q 2019 and net loss of US\$1.28 million for FY2019. These were attributable to the increase of gross profit achieved by the distribution business, coupled with the reduction of overall administrative and finance expenses.

Review of the Group's financial position

The Group's non-current assets stand at US\$120.25 million as at 31 December 2020 compared to US\$103.59 million as at 31 December 2019, and comprised property, plant and equipment of US\$36.18 million, right-of-use assets of US\$7.32 million, intangible assets of US\$15.68 million, investments in associates and joint ventures of US\$58.99 million, available-for-sale financial assets of US\$0.14 million, deferred tax assets of US\$1.49 million and other receivables of US\$0.44 million. The increase of US\$16.66 million was mainly attributable to addition of the property, plant and equipment along with the depreciation effect of US\$6.48 million, intangible assets and goodwill from the acquisition of the subsidiaries of US\$6.4 million, US\$0.1 million from the investment in joint venture due to better performance for FY2020 as compared to FY2019 and US\$2.9 million from translation gain of EUR strengthening against USD.

The current assets stood at US\$250.15 million as 31 December 2020 compared to US\$262.9 million as at 31 December 2019. Overall, the decrease of US\$12.75 million in current assets was from the decrease of US\$9.13 million in trade and other receivables, US\$15.35 million in cash and cash equivalents, offset by increase of US\$11.85 million in inventories. The increase in inventory was mainly due to maintaining 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 US\$9.13 million decrease in trade and other receivables comprised US\$8.13 million from trade debtors from distribution business of which US\$7.96 million was from the movement in trade debtors balance and US\$0.17 million from translation gain of EUR strengthening against USD. The distribution business's debtor-sales outstanding turnover remain between 20 to 25 days and is within the norms of business operations.

The decrease of US\$5.29 million in current liabilities was due to an increase of US\$36.31 million in loans and borrowing, US\$1.3 million in income tax payable and US\$1.08 million in derivatives financial liabilities, and partially offset by the decrease in trade and other payable of US\$43.71 million. The higher loan and borrowings was mainly attributable to the aggregate cash outflow used in operating and financing activities. The increase in income tax payable was due to higher profit made by the distribution business in France and the increase in derivative financial liabilities was due to mark to market unrealized losses on future oil products.

The decrease of US\$1.45 million in non-current liabilities was mainly attributable to the decrease in loans and borrowing of US\$3.76 million, offset by the increase in the dismantling and depollution provisions of US\$1.79 million. The decrease in loans and borrowing of US\$3.76 million was due to the reclassification of the mature loan to current liabilities, offset by the slight increase of the loan borrowed for CAPEX purpose.

The Group's total liabilities decreased by 2% or US\$6.74 million from US\$280.96 million as at 31 December 2019 to US\$274.23 million as at 31 December 2020.

The Group's net assets stood at US\$71.47 million as at 31 December 2020, or 1.69 US cents per share, compared to US\$66.69 million as at 31 December 2019 or 1.58 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows used in operating activities of US\$22.30 million in 4Q 2020, as compared to net cash flows generated from operating activities of US\$27.32 million in 4Q 2019. This increase in cashflow used in operating activities was mainly attributable to higher outflow of cash resulting from trade and other payables, offset by the movement of trade and other receivables as well as the movement in exchange alignment. The net cash flows used in operating activities of US\$30.07 million in FY2020, as compared US\$11.5 million generated in FY2019 was due to the outflow of cash resulting from inventory and trade and other payables, partially offset by the inflow in trade and other receivables.

The net cash flows used in investing activities of US\$8.26 million and US\$19.47 million in 4Q 2020 and FY2020 respectively as compared to US\$2.02 million and US\$4.7 million in 4Q 2019 and FY2019 respectively was due to purchases of intangible assets and property, plant and equipment and acquisition of the subsidiaries. The net cash flows generated from the financing activities of US\$9.77 million in 4Q 2020, as compared to cash flow used of US\$5.48 million in 4Q 2019 was attributable to higher proceeds from bank borrowings and the bank deposit assumed from the acquisition of a subsidiary. The net cash flows generated from financing activities was US\$14.69 million in FY2020, as compared to net cash flows used in financing activities of US\$1.2 million in FY2019 was mainly due to the bank deposit assumed from the acquisition of a subsidiary and the bank borrowing proceeds.

The Group's cash and cash equivalents in the consolidated statement of cashflows comprises cash and bank balances of US\$11.61million and bank overdrafts of US\$20.65 million as at 31 December 2020.

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 from its distribution business in France and Spain currently. The distribution business was adversely affected since both countries implemented lockdown measures to combat the spread of COVID-19 since March 2020. There was a sharp decline in the volume of the demand for its petroleum products and decrease activities at its petrol stations that had to be kept open due to contractual obligations. The Group expected the sales at the gas station to remain low and it is currently negotiating with the motorway companies for a fee reduction due to the low traffic in motorways.

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 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.

12. 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 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 (which is controlled by the Executive Chairman of the Group) in Q4 2020. 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	217,836
Interest charged on loan by HKCEFS to AAG	601
Collection on behalf of AAG by SPE	72,727

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 31 December 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 Rule 720(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.

16. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

	<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

Operating Segments

	<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
2019					
Revenue:					
External customers	1,678,246	-	-	-	1,678,246
Dividend income	1,268	-	-	-	1,268
Total revenue	1,679,514	-	-	-	1,679,514
Results:					
Segment results	8,766	(1,479)	(1,873)	(3,046)	2,368
Interest income	931	54	-	-	985
Finance expenses	(3,315)	(5)	-	-	(3,320)
Share of results of joint venture and associate	166	-	157	-	323
	6,548	(1,430)	(1,716)	(3,046)	356
Tax expense	(1,637)	-	-	-	(1,637)
Net profit/(loss) for the year	4,911	(1,430)	(1,716)	(3,046)	(1,281)
Segment assets:					
Segment assets	315,634	15,013	54,885	(76,627)	308,905
Investment in associates	9,900	-	4,305	(2,502)	11,703
Investment in joint ventures	12,770	-	31,033	-	32,803
Tax assets	956	-	-	1,124	2,080
Total assets	339,260	15,013	90,223	(78,005)	366,491
Segment liabilities:					
Segment liabilities	279,251	124,216	7,608	(135,491)	275,584
Tax liabilities	4,869	-	-	510	5,379
Total liabilities	284,120	124,216	7,608	(134,981)	280,963
Capital expenditure	5,165	-	-	-	5,165
Significant non-cash items:					
Depreciation and amortisation	6,273	145	-	1,343	7,761

Geographical segments

The following table presents revenue information on operations by geographical areas for the financial years

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>2020</u> US\$'000	<u>2019</u> US\$'000	<u>2020</u> US\$'000	<u>2019</u> US\$'000
Europe	1,194,939	1,679,514	87,838	71,847
Hong Kong	-	-	-	-
People's Republic of China	-	-	32,128	31,305
Singapore	-	-	284	436
Others	-	-	-	-
	1,194,939	1,679,514	120,250	103,588

17. 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 section 8 of this announcement.

18. A breakdown of sales.

	Group		
	Year ended 31 Dec 2020 US\$'000	Year ended 31 Dec 2019 US\$'000	Increase/ (decrease) %
Revenue reported for first half year	567,928	806,406	(30)
Net profit/(loss) after tax reported for first half year	913	(2,017)	N.M
Revenue reported for second half year	627,011	873,108	(28)
Net profit after tax reported for second half year	5,130	736	597

19. 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	-	-

20. 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.

21. Disclosure pursuant to Rule 706(A)

There is no acquisition for this 4th quarter of FY2020 other than the acquisition of SARL ANEO as disclosed in Note A of the cash flow statement.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Chairman
Date: 22 February 2021