



UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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	Three	Increase	Nine	Nine	Increase
	months	months		months	months	
	ended	ended		ended	ended	
	30 Sep 2018	30 Sep 2017	/(decrease)	30 Sep 2018	30 Sep 2017	/(decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	540,488	607,792	(11)	1,503,203	1,814,083	(17)
Cost of sales	(524,645)	(585,771)	(10)	(1,464,191)	(1,759,482)	(17)
Gross profit	15,843	22,021	(28)	39,012	54,601	(29)
Other operating income	(117)	327	N.M	4,609	1,344	243
Selling and distribution expenses	(11,220)	(10,825)	4	(33,630)	(30,146)	12
Administrative expenses	(1,423)	(2,201)	(35)	(5,256)	(5,481)	(4)
Other operating expenses	2,082	(48)	N.M	(20,436)	(698)	2,828
Finance expenses	(648)	(751)	(14)	(2,150)	(2,161)	(1)
Share of results of associates and joint ventures	(122)	(180)	(32)	800	121	561
(Loss)/profit before income tax	4,395	8,343	(47)	(17,051)	17,580	N.M
Income tax expense	(1,077)	(2,348)	(54)	(534)	(3,351)	(84)
(Loss)/profit for the period	3,318	5,995	(45)	(17,585)	14,229	N.M
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(135)	2,340	N.M	(668)	4,138	N.M
Other comprehensive income for the period	(135)	2,340	N.M	(668)	4,138	N.M
Total comprehensive income for the period	3,183	8,335	(62)	(18,253)	18,367	N.M
(Loss)/profit attributable to:						
Owners of the Company	2,347	4,457	(47)	(18,176)	12,081	N.M
Non-controlling interests	971	1,538	(37)	591	2,148	(72)
(Loss)/profit for the period	3,318	5,995	(45)	(17,585)	14,229	N.M
Total comprehensive income attributable to:						
Owners of the Company	2,288	5,649	(59)	(20,078)	14,190	N.M
Non-controlling interests	895	2,686	(67)	1,825	4,177	(56)
Total comprehensive income for the period	3,183	8,335	(62)	(18,253)	18,367	N.M

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

<u>Group</u>	Three	Three	Increase	Nine	Nine	Increase
	months	months		months	months	
	ended	ended		ended	ended	
	30 Sep 2018	30 Sep 2017	/(decrease)	30 Sep 2018	30 Sep 2017	/(decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Government credit	-	-	-	(5)	(10)	(50)
Loss on disposal of property, plant and equipment	23	161	(86)	32	258	(88)
Interest income	(26)	(85)	(69)	(172)	(203)	(15)
Depreciation and amortisation	1,616	1,184	36	4,925	3,311	49
Allowance for doubtful debts - net	(2,330)	-	N.M	19,898	-	N.M
Directors' fees	55	55	-	168	161	4
Finance expenses	648	751	(14)	2,150	2,161	(1)
Professional fees	349	510	(32)	1,403	1,260	11
Rental expenses	703	801	(12)	2,382	2,161	10
Staff costs (including key management personnel compensation)	6,078	6,261	(3)	18,644	17,961	4
Travelling expenses	58	145	(60)	375	557	(33)

N.M : Not Meaningful

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

	Group		Company	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	33,195	35,580	-	-
Intangible assets	8,036	8,386	-	-
Investments in subsidiaries	-	-	49,000	49,000
Investments in associates	12,102	12,278	-	-
Investments in joint ventures	44,014	43,680	-	-
Available-for-sale financial assets	16	17	-	-
Deferred tax assets	1,407	1,436	-	-
Other receivables	326	430	-	-
Total non-current assets	99,096	101,807	49,000	49,000
Current assets:				
Inventories	77,828	57,866	-	-
Trade and other receivables	213,746	140,650	28	36
Amounts due from subsidiaries	-	-	229	208
Amounts due from related companies	1,523	2,167	-	-
Tax recoverable	3,059	258	-	-
Cash and cash equivalents	28,547	38,614	-	-
Total current assets	324,703	239,555	257	244
Total assets	423,799	341,362	49,257	49,244
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	16	148	-	-
Trade and other payables	251,548	170,044	234	204
Derivative financial liabilities	1,295	966	-	-
Loans and borrowings	49,729	19,257	-	-
Amounts due to holding company	-	2,685	-	-
Amounts due to subsidiary company	-	-	430	-
Amounts due to related companies	275	6,699	-	-
Total current liabilities	302,863	199,799	664	204
Non-current liabilities:				
Provisions	8,534	8,787	-	-
Deferred tax liabilities	5,940	6,031	-	-
Loans and borrowings	15,617	17,974	-	-
Other payables	1,568	1,241	-	-
Total non-current liabilities	31,659	34,033	-	-
Total liabilities	334,522	233,832	664	204
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(126,048)	(107,872)	(148,260)	(147,813)
Foreign currency translation reserve	1,899	3,801	-	-
	72,704	92,782	48,593	49,040
Non-controlling interests	16,573	14,748	-	-
Total equity	89,277	107,530	48,593	49,040
Total liabilities and equity	423,799	341,362	49,257	49,244

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

	<u>Unsecured</u>		<u>Secured</u>	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	3,959	13,077	46,044	15,564
Amount payable after one year	15,617	17,974	-	-

Details of any collateral

The secured borrowings of US\$46.04 million which are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 September 2018, the Group has also given guarantees of Euro14.78 million in favour of certain counterparts for a subsidiary.

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

<u>Group</u>	Three months ended 30 Sep 2018 US\$'000	Three months ended 30 Sep 2017 US\$'000	Nine months ended 30 Sep 2018 US\$'000	Nine months ended 30 Sep 2017 US\$'000
Operating activities				
(Loss)/profit before income tax	4,395	8,343	(17,051)	17,580
Adjustment for:				
Depreciation and amortisation	1,616	1,184	4,925	3,311
Loss on disposal of property, plant and equipment	23	161	32	258
Fair value measurement on derivative instrument	976	280	348	(447)
Allowance for doubtful debts	(2,330)	(117)	19,898	535
Impairment in joint venture	-	1	-	6
Interest expenses	356	446	1,348	1,410
Interest income	(26)	(85)	(172)	(203)
Share of results of associate and joint ventures	122	180	(800)	(121)
Exchange realignment	251	(11,498)	11,160	(21,378)
Operating cash flows before changes in working capital	5,383	(1,105)	19,688	951
Changes in working capital:				
Inventories	(33,264)	(15,583)	(21,093)	(10,971)
Trade and other receivables	(16,690)	(16,539)	(95,520)	(41,628)
Trade and other payables	74,650	16,324	84,944	35,212
Cash flows used in operations	30,079	(16,903)	(11,981)	(16,436)
Income taxes paid	(1,134)	(857)	(3,466)	(1,794)
Interest paid	(356)	(446)	(1,348)	(1,410)
Interest received	26	85	172	203
Net cash flows generated from/(used in) operating activities	28,615	(18,121)	(16,623)	(19,437)
Investing activities				
Proceeds from disposal of property, plant and equipment	6	4	10	97
Purchases of intangible assets, property, plant and equipment	(1,209)	(905)	(2,833)	(2,551)
Net cash flows used in investing activities	(1,203)	(901)	(2,823)	(2,454)
Financing activities				
(Repayment of)/proceeds from borrowings	(217)	(14,121)	(873)	(15,431)
Repayment of obligation under finance leases	(8)	(14)	(25)	(40)
Repayment to holding company	-	-	(2,685)	(1,500)
Proceeds from/(repayment to) related companies	(1,826)	(2,140)	(6,514)	(11,051)
Fixed deposit released from/(pledged with) financial institutions	-	609	-	609
Net cash flows used in financing activities	(2,051)	(15,666)	(10,097)	(27,413)
Net increase/(decrease) in cash and cash equivalents	25,361	(34,688)	(29,543)	(49,304)
Cash and cash equivalents at the beginning of the period	(42,839)	8,471	23,050	23,032
Effect of exchange rate changes on cash and cash equivalents	(19)	35	(11,004)	90
Cash and cash equivalents at the end of the period	(17,497)	(26,182)	(17,497)	(26,182)
Cash and bank balance	28,547	28,109	28,547	28,109
Fixed deposit pledged	-	-	-	-
Bank overdrafts	(46,044)	(54,291)	(46,044)	(54,291)
Cash and cash equivalents per consolidated statement of cash flows	(17,497)	(26,182)	(17,497)	(26,182)

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)/ retained earnings 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 2018	545	196,308	(107,872)	3,801	92,782	14,748	107,530
Loss for the period, representing total comprehensive income for the period	-	-	(18,176)	-	(18,176)	591	(17,585)
Exchange differences on translating foreign operations	-	-	-	(1,902)	(1,902)	1,234	(668)
Balance at 30 September 2018	545	196,308	(126,048)	1,899	72,704	16,573	89,277
At 1 January 2017	545	196,308	3,422	-	200,275	16,311	216,586
Profit for the period, representing total comprehensive income for the period	-	-	12,081	-	12,081	2,148	14,229
Exchange differences on translating foreign operations	-	-	-	2,109	2,109	2,029	4,138
Balance at 30 September 2017	545	196,308	15,503	2,109	214,465	20,488	234,953

	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 2018	545	196,308	(147,813)	49,040
Loss for the period, representing total comprehensive income for the period	-	-	(447)	(447)
Balance at 30 September 2018	545	196,308	(148,260)	48,593
At 1 January 2017	545	196,308	(24,366)	172,487
Loss for the period, representing total comprehensive income for the period	-	-	(676)	(676)
Balance at 30 September 2017	545	196,308	(25,042)	171,811

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 30 September 2018 and 31 December 2017 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 2018 and 31 December 2017.

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

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

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

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

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

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

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

Not applicable.

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 2018.

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		Nine months ended	
	30 Sep 2018	30 Sep 2017	30 Sep 2018	30 Sep 2017
	US\$	US\$	US\$	US\$
(Loss)/profit attributable to owners of the Company	2,347,243	4,456,950	(18,175,814)	12,080,461
(Losses)/earnings per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	0.0554	0.1053	(0.4294)	0.2854
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	0.0554	0.1053	(0.4294)	0.2854
Weighted average number of ordinary shares in issue	4,233,185,850	4,233,185,850	4,233,185,850	4,233,185,850

7. **Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

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

	<u>Group</u>		<u>Company</u>	
	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
	US cents	US cents	US cents	US cents
Net assets value per ordinary share	<u>1.717</u>	<u>2.192</u>	<u>1.148</u>	<u>1.158</u>

The calculation of net assets value per ordinary share is based on the Group's net assets of approximately US\$72,704,962 as at 30 September 2018 (31 December 2017: US\$92,781,768) and the Company's net assets of approximately US\$48,593,041 as at 30 September 2018 (31 December 2017: US\$49,039,131) and share capital of 4,233,185,850 shares (31 December 2017: 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 third quarter of the year ("**3Q 2018**") decreased to US\$540.49 million from US\$607.79 million in the third quarter of last year ("**3Q 2017**"), a decrease of 11% on quarter to quarter ("**Q-to-Q**"). The Group's revenue decreased by 17% from US\$1.81 billion for the nine months ended 30 September 2017 ("**9M 2017**") to US\$1.50 billion for the nine months ended 30 September 2018 ("**9M 2018**"), mainly due to a cessation of the Group's wholesale business in Singapore.

The breakdown of the business segment results are as follows:

	Three months ended 30 Sep 2018	Three months ended 30 Sep 2017	Nine months ended 30 Sep 2018	Nine months ended 30 Sep 2017
<u>Revenue</u>	US\$'000	US\$'000	US\$'000	US\$'000
Distribution	539,893	378,322	1,484,275	1,059,060
Wholesale	-	229,470	18,333	755,023
Dividend income	595	-	595	-
	<u>540,488</u>	<u>607,792</u>	<u>1,503,203</u>	<u>1,814,083</u>

The Group reported a gross profit of US\$15.84 million in 3Q 2018, a decrease of 28% as compared to US\$22.02 million in 3Q 2017. The total gross profit was US\$39.01 million for the 9M 2018, a decrease of US\$15.59 million or 29% compared to US\$54.60 million for the 9M 2017, due to the gross profit generated from wholesale segment reduced significantly. The gross margin decreased from 3.01% in 9M 2017 to 2.60% in 9M 2018 due to lower profit margin generated from wholesale segment.

Other operating income for 3Q 2018 and 3Q 2017 were US\$0.12 million deficit and US\$0.33 million respectively, and that for 9M 2018 and 9M 2017 were US\$4.61 million and US\$1.34 million respectively, mainly due to service income generated from the services rendered to AnAn Group (Singapore) Pte Ltd. in early 2018.

Selling and distribution expenses increased by 4% to US\$11.22 million in 3Q 2018 from US\$10.82 million in 3Q 2017 and 12% to US\$33.63 million in 9M 2018 from US\$30.15 million in 9M 2017 mainly due to the increase in operating activities in a subsidiary. Administrative expenses decreased by 35% and 4% to US\$1.42 million and US\$5.26 million in 3Q 2018 and 9M 2018 respectively, as compared to US\$2.20 million and US\$5.48 million in 3Q 2017 and 9M 2017 respectively due to cost cutting measures undertaken in the current financial year. Other operating expenses swing from the negative territory of US\$0.05 million to a positive territory of US\$2.08 million in 3Q 2018 due to an allowance for receivables of US\$2.42 million no longer required. The increase in 9M 2018 by US\$19.74 million was mainly due to allowance for receivables amounting to US\$19.90 million. Finance expenses decreased by 14% and 1% from US\$0.75 million and US\$2.16 million in 3Q 2017 and 9M 2017 respectively, as compared to US\$0.65 million and US\$2.15 in 3Q 2018 and 9M 2018 respectively, mainly due to interest expenses incurred from bank borrowings.

The Group recorded a net profit of US\$3.32 million for 3Q 2018 as compared to a net profit of US\$6 million for 3Q 2017, mainly due to cessation of the Group's wholesale business in Singapore and compensated by a write back of allowance for receivables which are no longer necessary. The Group recorded a net loss of US\$17.59 million for 9M 2018 as compared to a net profit of US\$14.23 million for 9M 2017, mainly due to the cessation of the Group's wholesale business in Singapore and the allowance for receivables.

Review of the Group's financial position

The Group's non-current assets stood at US\$99.10 million as at 30 September 2018 compared to US\$101.81 million as at 31 December 2017, and comprised the property, plant and equipment of US\$33.20 million, intangible assets of US\$8.04 million, investments in associates and joint ventures of US\$56.12 million, deferred tax assets of US\$1.41 million and other receivables of US\$0.33 million. The decrease of US\$2.71 million was mainly attributable to depreciation of property, plant and equipment.

The current assets stood at US\$324.70 million as at 30 September 2018 compared to US\$239.56 million as at 31 December 2017. Overall, the increase of US\$85.14 million in current assets was mainly from (i) an increase of US\$73.10 million in trade and other receivables to US\$213.75 million as at 30 September 2018 from US\$140.65 million as at 31 December 2017; (ii) an increase of US\$19.96 million in inventories and; (iii) an increase of US\$2.80 million in tax recoverable. The increases resulted from the above was partially offset mainly by a decrease in cash and cash equivalents of US\$10.07 million.

The increase of US\$103.06 million in current liabilities, which was mainly due to an increase in trade and other payables of US\$81.50 million and in loans and borrowings of US\$30.47 million. The increases resulted from above was partially offset by a decrease of US\$6.42 million in amounts due to related companies and the Group's holding company.

The non-current liabilities decreased from US\$34.03 million as at 31 December 2017 to US\$31.66 million as at 30 September 2018 and are mainly attributable to a decrease in loans and borrowings of US\$2.36 million.

The Group's total liabilities increased by 43% or US\$100.69 million from US\$233.83 million as at 31 December 2017 to US\$334.52 million as at 30 September 2018.

The Group's net assets stood at US\$72.70 million as at 30 September 2018, or 1.717 US cents per share, compared to US\$92.78 million as at 31 December 2017 or 2.192 US cents per share.

Review of the Group's cash flows

The Group recorded net cash flows generated from operating activities of US\$28.62 million in 3Q 2018, as compared to net cash flows used in operating activities of US\$18.12 million in 3Q 2017, attributable mainly to an increase in trade and other payables partially offset by the increase in inventories. Net cash flows of US\$16.62 million used in operating activities was recorded in 9M 2018, as compared to net cash flows used in operating activities of US\$19.44 million recorded in 9M 2017. This was mainly attributable to an increase in trade and other payables and the allowance for doubtful debts, partially offset by the increase in inventories. The net cash flows used in investing activities for 3Q 2018 and 9M 2018 were US\$1.20 million and US\$2.82 million respectively, mainly due to purchases of intangible assets, property, plant and equipment. The net cash flows used in financing activities were US\$2.05 million for 3Q 2018 and US\$10.1 million for 9M 2018, as compared to net cash flows used in financing activities of US\$15.67 million in 3Q 2017 and US\$27.41 million in 9M 2017, mainly due to the repayment to holding company, related companies and repayment of borrowings.

The Group's cash and cash equivalents in the consolidated statement of cash flows comprised cash and bank balances of US\$28.55 million and bank overdrafts of US\$46.04 million as at 30 September 2018.

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 previously announced the delay in payment from Shanghai Huaxin Group (Hong Kong) Limited ("CEFC HK"), a former trading partner of Singapore AnAn Petrochemical & Energy Pte. Ltd. ("SPE"), a wholly owned subsidiary of the Company and that the Group has submitted a winding up application to the High Court of the Hong Kong Special Administrative Region against CEFC HK. Subsequently, the Group received copy of the Winding-up petition filed earlier against CEFC HK by another creditor. The Group had then filed SPE's Notice of Intention to Appear in this earlier petition. On 3rd September 2018, the High Court of the Hong Kong Special Administrative Region made a winding-up order of CEFC HK. The first meeting of contributories and creditors has been set on 21st November 2018 by the Provisional Liquidators of CEFC HK. The Group has made full allowance for the amounts due from CEFC HK but will continue to closely monitor the matter and take all necessary measures to ensure the best interest of the Group.

On 24 April 2018, VTB demanded the sum of USD 170,292,452.03 under a Global Master Repurchase Agreement ("GMRA") between VTB and AnAn Group (Singapore) Pte. Ltd. ("AnAn Group"), the controlling shareholder of the Company, dated 1 November 2017. The GMRA related to shares of En+ which were affected by US Department of the Treasury's Office of Foreign Assets Control ("OFAC") sanctions. VTB proceeded to issue a statutory demand to AnAn Group on 23 July 2018. AnAn Group disputes the claim and applied for an injunction (OS 975/2018) to restrain VTB from taking out a winding up application against AnAn Group on 10 August 2018. OS 975/2018 was dismissed.

On 17 August 2018, VTB took out an application to wind up AnAn Group. On 20 August 2018, VTB took out SUM 3795/2018 to inter alia appoint provisional liquidators. On 24 August 2018, the Court appointed provisional liquidators. On 23 August 2018, AnAn Group filed a notice of arbitration to commence arbitration on the disputed debt alleged by VTB. This arbitration has since been discontinued by the liquidators of AnAn Group. On 7 September 2018, the High Court ordered that AnAn Group be wound up. A stay of the winding up order was sought but denied. There is presently a pending appeal against the winding up order. AnAn Group is vigorously pursuing the appeal against the winding up order on the grounds that the alleged claim by VTB is disputed and accordingly, there should be no basis for a winding up order.

The Group intends to pursue and explore further business opportunities in the PRC through the Company's wholly-owned indirect subsidiary, Shanghai Dajiang Shen Yuan Equity Investment Fund Management Co., Ltd. over the next 12 months. The Company will make further announcement as and when there are material developments in this regard.

Other than the potential impact from the issues discussed above, the Group's other businesses are expected to continue operating stably. The Group continues to review its overall business strategy and structure, while prospecting for other strategic business options.

11. Dividend

(a) Current financial period reported on

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

Corresponding period of the immediately preceding financial year

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

Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from the Shareholder for IPTs, the aggregate value of such transactions as required under Rule 902 (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.

As disclosed in the Company's announcement previously, AnAn Group and Singapore AnAn Petrochemical & Energy Pte. Ltd. (formerly known as Singapore CEFC Petrochemical & Energy Pte. Ltd.) ("SPE"), a wholly-owned subsidiary of the Company had entered into a service agreement ("Service Agreement") effective from 1 January 2018. Under the Service Agreement, SPE shall provide office space (including meeting room), usage of an accounting platform, hardware and the Cloud Interface, facilities for printing, faxing and photocopying, teleconferencing, telephony and wifi services, utilities and reception, pantry, cleaning and other services necessary for and incidental to the carrying out of the office work by AnAn Group. AnAn Group agrees to pay to SPE a monthly fee of S\$70,000 for the provision of the services. Due to the appeal against the winding up order in AnAn Group, the monthly service fee has not been billed by SPE since 1 September 2018.

Furthermore, AnAn Group had during April 2018 assumed a debt owed by a third-party counterparty to SPE in the US dollar equivalent of RMB70,000,000, in exchange for said third-party counterparty owing the same amount to AnAn Group. SPE agreed to set off the amount of US\$7,260,839 owed to it by AnAn Group. After such set off, the amount of US\$2,500,000, as part payment of its outstanding debt owed to SPE. By letter dated 26 September 2018, the liquidators of AnAn Group informed the Company that they reserved their rights in respect of the payment of US\$2,500,000 made by AnAn Group to the Company on or around 27 August 2018.

14. Negative confirmation pursuant to Rule 705(5)

We, Zang Jian Jun and Ling Chi, being two directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 30 September 2018 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.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Chairman
Date: 13 November 2018