



**UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 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 months ended 31 Dec 2018 US\$'000	Three months ended 31 Dec 2017 US\$'000	Increase /(decrease) %	Twelve months ended 31 Dec 2018 US\$'000	Twelve months ended 31 Dec 2017 US\$'000	Increase /(decrease) %
Revenue	522,594	481,898	8	2,025,797	2,295,981	(12)
Cost of sales	(505,538)	(468,459)	8	(1,969,729)	(2,227,941)	(12)
<b>Gross profit</b>	17,056	13,439	27	56,068	68,040	(18)
Other operating income	52	1,783	(97)	4,661	3,127	49
Selling and distribution expenses	(13,826)	(13,561)	2	(47,456)	(43,707)	9
Administrative expenses	(1,449)	(2,468)	(41)	(6,705)	(7,949)	(16)
Other operating expenses	(2,829)	(125,453)	(98)	(23,265)	(126,151)	(82)
Finance expenses	(706)	(513)	38	(2,856)	(2,674)	7
Share of results of associates and joint ventures	65	(201)	NM	865	(80)	NM
<b>Loss before income tax</b>	(1,637)	(126,974)	(99)	(18,688)	(109,394)	(83)
Income tax expense	384	2,893	(87)	(150)	(458)	(67)
<b>Loss for the period</b>	(1,253)	(124,081)	(99)	(18,838)	(109,852)	(83)
<b>Other comprehensive (loss)/income:</b>						
<b>Item that may be reclassified subsequently to profit or loss</b>						
Exchange differences on translating foreign operations	(993)	(551)	80	(1,661)	3,587	NM
<b>Other comprehensive (loss)/income for the period</b>	(993)	(551)	80	(1,661)	3,587	NM
<b>Total comprehensive loss for the period</b>	(2,246)	(124,632)	(98)	(20,499)	(106,265)	(81)
<b>(Loss)/profit attributable to:</b>						
Owners of the Company	(2,586)	(123,375)	(98)	(20,762)	(111,294)	(81)
Non-controlling interests	1,333	(706)	NM	1,924	1,442	33
<b>Loss for the period</b>	(1,253)	(124,081)	(99)	(18,838)	(109,852)	(83)
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(3,164)	(123,326)	(97)	(23,242)	(109,136)	(79)
Non-controlling interests	918	(1,306)	NM	2,743	2,871	(4)
<b>Total comprehensive loss for the period</b>	(2,246)	(124,632)	(98)	(20,499)	(106,265)	(81)

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

<u>Group</u>	Three months ended	Three months ended	Increase	Twelve months ended	Twelve months ended	Increase
	31 Dec 2018 US\$'000	31 Dec 2017 US\$'000	/(decrease) %	31 Dec 2018 US\$'000	31 Dec 2017 US\$'000	/(decrease) %
Government credit	-	(2)	NM	(5)	(12)	(58)
(Gain)/loss on disposal of property, plant and equipment	(1)	(260)	NM	31	(2)	NM
Interest income	(161)	(57)	NM	(333)	(260)	28
Depreciation and amortisation	1,647	2,926	(44)	6,572	6,237	5
Allowance for doubtful debts	2,593	124,456	(98)	22,491	124,456	(82)
Directors' fees	55	55	-	223	216	3
Finance expenses	706	513	38	2,856	2,674	7
Professional fees	542	531	2	1,945	1,791	9
Rental expenses	551	875	(37)	2,933	3,036	(3)
Staff costs (including key management personnel compensation)	7,108	7,812	(9)	25,752	25,773	(0)
Travelling expenses	188	293	(36)	563	850	(34)

**N.M : Not Meaningful**

**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**

**1b(i) Balance Sheet**

	<u>Group</u>		<u>Company</u>	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	33,053	35,580	-	-
Intangible assets	8,755	8,386	-	-
Investments in subsidiaries	-	-	50,500	49,000
Investments in associates	11,821	12,278	-	-
Investments in joint ventures	43,750	43,680	-	-
Available-for-sale financial assets	-	17	-	-
Deferred tax assets	1,373	1,436	-	-
Other receivables	322	430	-	-
<b>Total non-current assets</b>	<b>99,074</b>	<b>101,807</b>	<b>50,500</b>	<b>49,000</b>
<b>Current assets:</b>				
Inventories	45,200	57,866	-	-
Trade and other receivables	177,767	140,650	49	36
Amounts due from subsidiaries	-	-	251	208
Amounts due from related companies	2,402	2,167	-	-
Tax recoverable	2,155	258	-	-
Cash and cash balance	21,321	38,614	-	-
<b>Total current assets</b>	<b>248,845</b>	<b>239,555</b>	<b>300</b>	<b>244</b>
<b>Total assets</b>	<b>347,919</b>	<b>341,362</b>	<b>50,800</b>	<b>49,244</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Provisions	86	148	-	-
Trade and other payables	218,792	170,044	335	204
Derivative financial liabilities	29	966	-	-
Loans and borrowings	8,955	19,257	-	-
Amounts due to holding company	2,500	2,685	-	-
Amounts due to subsidiary company	-	-	430	-
Amounts due to related companies	1,642	6,699	-	-
<b>Total current liabilities</b>	<b>232,004</b>	<b>199,799</b>	<b>765</b>	<b>204</b>
<b>Non-current liabilities:</b>				
Provisions	8,851	8,787	-	-
Deferred tax liabilities	4,222	6,031	-	-
Loans and borrowings	14,360	17,974	-	-
Other payables	1,451	1,241	-	-
<b>Total non-current liabilities</b>	<b>28,884</b>	<b>34,033</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>260,888</b>	<b>233,832</b>	<b>765</b>	<b>204</b>
<b>Equity:</b>				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(128,634)	(107,872)	(146,818)	(147,813)
Foreign currency translation reserve	1,321	3,801	-	-
	69,540	92,782	50,035	49,040
<b>Non-controlling interests</b>	<b>17,491</b>	<b>14,748</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>87,031</b>	<b>107,530</b>	<b>50,035</b>	<b>49,040</b>
<b>Total liabilities and equity</b>	<b>347,919</b>	<b>341,362</b>	<b>50,800</b>	<b>49,244</b>

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

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

	<u>Unsecured</u>		<u>Secured</u>	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	8,630	13,077	325	15,564
Amount payable after one year	14,359	17,974	-	-

#### Details of any collateral

The secured borrowings of US\$324,515 which are secured with trade receivables and inventories of the subsidiaries.

#### Contingent liabilities

As at 31 December 2018, the Group has also given guarantees of Euro18.93 million in favour of certain counterparts for a subsidiary and a joint venture company.

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

<u>Group</u>	Three	Three	Twelve	Twelve
	months	months	months	months
	ended	ended	ended	ended
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
Loss before income tax	(1,637)	(126,974)	(18,688)	(109,394)
<b>Adjustment for:</b>				
Depreciation and amortisation	1,647	2,926	6,572	6,237
Loss on disposal of property, plant and equipment	(1)	(260)	31	(2)
Property, plant and equipment written off	-	272	-	272
Fair value measurement on derivative instrument	(1,484)	322	(1,136)	(125)
Allowance for doubtful debts	2,593	123,921	22,491	124,456
Impairment in joint venture	-	-	-	6
Interest expenses	383	307	1,731	1,717
Interest income	(161)	(57)	(333)	(260)
Share of results of associate and joint ventures	(65)	201	(865)	80
Exchange realignment	(10,526)	20,674	634	(704)
capital	(9,251)	21,332	10,437	22,283
<b>Changes in working capital:</b>				
Inventories	31,248	(287)	10,155	(11,258)
Trade and other receivables	30,429	86,305	(65,091)	44,677
Trade and other payables	(28,203)	(36,212)	56,741	(1,000)
<b>Cash flows generated from operations</b>	<b>24,223</b>	<b>71,138</b>	<b>12,242</b>	<b>54,702</b>
Income taxes paid	(286)	(2,701)	(3,752)	(4,495)
Interest paid	(383)	(307)	(1,731)	(1,717)
Interest received	161	57	333	260
<b>Net cash flows generated from operating activities</b>	<b>23,715</b>	<b>68,187</b>	<b>7,092</b>	<b>48,750</b>
<b>Investing activities</b>				
Acquisition of a subsidiary	-	(1,373)	-	(1,373)
Acquisition of an associate	-	(4,536)	-	(4,536)
Proceeds from disposal of property, plant and equipment	1	9	11	106
Purchases of intangible assets, property, plant and equipment	(2,959)	(1,633)	(5,792)	(4,184)
<b>Net cash flows used in investing activities</b>	<b>(2,958)</b>	<b>(7,533)</b>	<b>(5,781)</b>	<b>(9,987)</b>
<b>Financing activities</b>				
(Repayment of)/proceeds from borrowings	4,820	(748)	3,947	(16,179)
Repayment of obligation under finance leases	(8)	(13)	(33)	(53)
Proceeds from/(repayment) to holding company	2,500	-	(185)	(1,500)
Proceeds from/(repayment to) related companies	216	(10,675)	(6,298)	(21,726)
Fixed deposit released from/(pledged with) financial institutions	-	-	-	609
<b>Net cash flows generated from/(used in) financing activities</b>	<b>7,528</b>	<b>(11,436)</b>	<b>(2,569)</b>	<b>(38,849)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28,285</b>	<b>49,218</b>	<b>(1,258)</b>	<b>(86)</b>
Cash and cash equivalents at the beginning of the period	(17,497)	(26,182)	23,050	23,032
Effect of exchange rate changes on cash and cash equivalents	10,208	14	(796)	104
<b>Cash and cash equivalents at the end of the period</b>	<b>20,996</b>	<b>23,050</b>	<b>20,996</b>	<b>23,050</b>
Cash and bank balance	21,321	38,614	21,321	38,614
Fixed deposit pledged	-	-	-	-
Bank overdrafts	(325)	(15,564)	(325)	(15,564)
Cash and cash equivalents per consolidated statement of cash flows	20,996	23,050	20,996	23,050

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

	Attributable to the owners of the Company						Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	(Accumulated losses)/ retained earnings US\$'000	Foreign currency translation reserve US\$'000	Equity attributable to owners of the Company US\$'000	Non-controlling interests US\$'000	
<b>Group</b>							
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	-	-	(20,762)	-	(20,762)	1,924	(18,838)
Exchange differences on translating foreign operations	-	-	-	(2,480)	(2,480)	819	(1,661)
Balance at 31 December 2018	545	196,308	(128,634)	1,321	69,540	17,491	87,031
At 1 January 2017	545	196,308	3,422	1,643	201,918	11,877	213,795
Loss for the period, representing total comprehensive income for the period	-	-	(111,294)	-	(111,294)	1,442	(109,852)
Exchange differences on translating foreign operations	-	-	-	2,158	2,158	1,429	3,587
Balance at 31 December 2017	545	196,308	(107,872)	3,801	92,782	14,748	107,530

	Attributable to the owners of the Company			
	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Total equity US\$'000
<b>Company</b>				
At 1 January 2018	545	196,308	(147,813)	49,040
Profit for the period, representing total comprehensive income for the period	-	-	995	995
Balance at 31 December 2018	545	196,308	(146,818)	50,035
At 1 January 2017	545	196,308	(24,366)	172,487
Loss for the period, representing total comprehensive income for the period	-	-	(123,447)	(123,447)
Balance at 31 December 2017	545	196,308	(147,813)	49,040

**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 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 31 December 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.

**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 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		Twelve months ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	US\$	US\$	US\$	US\$
<b>Loss attributable to owners of the Company</b>	(2,586,143)	(123,374,401)	(20,761,957)	(111,293,940)
<b>Losses per ordinary share</b>	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number	(0.0611)	(2.9145)	(0.4905)	(2.6291)
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	(0.0611)	(2.9145)	(0.4905)	(2.6291)
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>	
	<b>31 Dec 2018</b> US cents	<b>31 Dec 2017</b> US cents	<b>31 Dec 2018</b> US cents	<b>31 Dec 2017</b> US cents
<b>Net assets value per ordinary share</b>	<u>1.643</u>	<u>2.192</u>	<u>1.182</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\$69,540,202 as at 31 December 2018 (31 December 2017: US\$92,781,768) and the Company's net assets of approximately US\$50,035,363 as at 31 December 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 fourth quarter of the year ("**4Q 2018**") increased to US\$522.59 million from US\$481.90 million in the fourth quarter of last year ("**4Q 2017**"), an increase of 8% on quarter to quarter ("**Q-to-Q**"). The Group's revenue decreased by 12% from US\$2.30 billion for the financial year ended 31 December 2017 ("**FY2017**") to US\$2.03 billion for financial year ended 31 December 2018 ("**FY2018**"), mainly due to a cessation of the Group's wholesale business in Singapore, partially offset by the increase of revenue in the Group's business in Europe.

The breakdown of the business segment results are as follows:

	<b>Three months ended</b> <b>31 Dec 2018</b> <b>US\$'000</b>	<b>Three months ended</b> <b>31 Dec 2017</b> <b>US\$'000</b>	<b>Twelve months ended</b> <b>31 Dec 2018</b> <b>US\$'000</b>	<b>Twelve months ended</b> <b>31 Dec 2017</b> <b>US\$'000</b>
<u>Revenue</u>				
Distribution	522,278	370,336	2,006,553	1,429,396
Wholesale	-	110,103	18,333	865,126
Dividend income	316	1,459	911	1,459
	<u>522,594</u>	<u>481,898</u>	<u>2,025,797</u>	<u>2,295,981</u>

The Group reported a gross profit of US\$17.06 million in 4Q 2018, an increase of 27% as compared to US\$13.44 million in 4Q 2017. The total gross profit was US\$56.07 million for the FY2018, a decrease of US\$11.97 million or 18% compared to US\$68.04 million for the FY2017, due to the gross profit generated from wholesale segment reduced significantly. The gross margin decreased from 2.96% in FY2017 to 2.77% in FY2018 due mainly to slight reduction in the profit margin generated from the distribution segment because of higher costs of sales.

Other operating income of US\$0.05 million and US\$1.78 million for 4Q 2018 and 4Q2017, and US\$4.66 million and US\$3.13 million for FY2018 and FY2017, comprises mainly services rendered to AnAn Group (Singapore) Pte. Ltd. in early 2018, foreign exchange gain and interest income. The increase was mainly due to the service provided to AnAn Group (Singapore) Pte. Ltd. (“AnAn Group”), of approximately US\$3.5 million, being offset by (i) reversal of excess allowance in FY2017 of US\$1.62 million not repeated in FY2018; (ii) and reduction in foreign exchange gain of US\$0.47 million.

Selling and distribution expenses increased by 2% to US\$13.83 million in 4Q 2018 from US\$13.56 million in 4Q 2017 and 9% to US\$47.46 million in FY2018 from US\$43.71 million in FY2017 mainly due to the increase in operating activities in the operations of the subsidiary in Europe. Administrative expenses decreased by 41% and 16% to US\$1.45 million and US\$6.71 million in 4Q 2018 and FY2018 respectively, as compared to US\$2.47 million and US\$7.95 million in 4Q 2017 and FY2017 respectively due to cost cutting measures undertaken in the current financial year. Other operating expenses decreased from US\$125.45 million to US\$2.83 million in 4Q 2018 due to an allowance for receivables of US\$124.46 million made in FY2017. The decrease in FY2018 by US\$102.88 million was mainly due to the reduction of the allowance for receivables. Finance expenses increased by 38% and 7% from US\$0.51 million and US\$2.67 million in 4Q 2017 and FY2017 respectively, as compared to US\$0.71 million and US\$2.86 in 4Q 2018 and FY2018 respectively, mainly due to increase of loans from banks to repay the short-term overdraft.

The Group recorded a net loss of US\$1.25 million and US\$18.84 million for 4Q 2018 and FY2018, as compared to a net loss of US\$124.08 million and US\$109.85 million for 4Q 2017 and FY2017, mainly due to significant allowance for receivables in FY2017. The lower net loss was also because of the reduction in administrative and operating expenses due to the cost cutting measures.

### **Review of the Group’s financial position**

The Group’s non-current assets stood at US\$99.07 million as at 31 December 2018 compared to US\$101.81 million as at 31 December 2017, and comprised the property, plant and equipment of US\$33.05 million, intangible assets of US\$8.76 million, investments in associates and joint ventures of US\$55.57 million, deferred tax assets of US\$1.37 million and other receivables of US\$0.31 million. The decrease of US\$2.74 million was mainly attributable to depreciation of property, plant and equipment and its related currency re-alignment due to the appreciation of US dollar against the Euro dollar.

The current assets stood at US\$248.85 million as at 31 December 2018 compared to US\$239.56 million as at 31 December 2017. Overall, the increase of US\$9.29 million in current assets was mainly from (i) an increase of US\$37.12 million in trade and other receivables to US\$177.77 million as at 31 December 2018 from US\$140.65 million as at 31 December 2017; (ii) an increase of US\$1.90 million in tax recoverable. The increases resulted from the above were offset mainly by a decrease in cash and cash equivalents of US\$17.29 million and in inventories of US\$12.67 million.

The current liabilities stood at US\$232 million as at 31 December 2018 compared to US\$199.80 million as at 31 December 2017. The increase of US\$32.2 million in current liabilities was mainly due to an increase in trade and other payables of US\$48.75 million. The increase resulted from above was partially offset by (i) a decrease of US\$5.25 million in amounts due to related companies and the Group’s holding company; (ii) a decrease of US\$10.30 million in loans and borrowings.

The non-current liabilities decreased from US\$34.03 million as at 31 December 2017 to US\$28.88 million as at 31 December 2018 and are mainly attributable to a decrease of US\$3.61 million in loans and borrowings and US\$1.81 million in deferred tax liabilities.

The Group’s total liabilities increased by 11.57% or US\$27.06 million from US\$233.83 million as at 31 December 2017 to US\$260.89 million as at 31 December 2018.

The Group's net assets stood at US\$69.54 million as at 31 December 2018, or 1.643 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\$23.72 million in 4Q 2018, as compared to net cash flows generated from operating activities of US\$68.19 million in 4Q 2017, attributable mainly to decrease in trade and other receivables and exchange realignment, partially offset by the increase in inventories and trade and other payables. Net cash flows of US\$7.09 million generated from operating activities was recorded in FY2018, as compared to net cash flows generated from operating activities of US\$48.75 million recorded in FY2017. This was mainly attributable to an increase in inventories and decrease in trade and other receivables, partially offset by an increase in trade and other payables. The net cash flows used in investing activities for 4Q 2018 and FY2018 were US\$2.96 million and US\$5.78 million respectively, mainly due to purchases of intangible assets, property, plant and equipment. The net cash flows generated from financing activities were US\$7.53 million for 4Q 2018, as compared to net cash flows used in financing activities of US\$11.44 million in 4Q 2017. This was mainly due to the reduction in repayment to holding company, related companies and borrowings in FY2018. The net cash flows used in financing activities were US\$2.57 million and US\$38.85 million for FY2018 and FY2017, mainly due to the reduction in repayment to holding company, related companies.

The Group's cash and cash equivalents in the consolidated statement of cash flows comprised cash and bank balances of US\$21.32 million and bank overdrafts of US\$0.33 million as at 31 December 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.**

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, 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. OFAC has since lifted the sanctions on EN+ on 27 January 2019. 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 appeal is scheduled to be heard sometime on or around August 2019.

**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. On 22 February 2019, the Board approved a repayment schedule of US\$2,500,000 to AnAn Group.

**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 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.

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>	<u>Wholesale</u>	<u>Corporate</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>2018</u></b>					
<b>Revenue:</b>					
External customers	2,006,553	18,333	-	-	2,024,886
Dividend income	911	-	-	-	911
Total revenue	<u>2,007,464</u>	<u>18,333</u>	<u>-</u>	<u>-</u>	<u>2,025,797</u>
<b>Results:</b>					
Segment results	7,637	(24,532)	(389)	254	(17,030)
Interest income	197	66	70	-	333
Finance expenses	(2,851)	(5)	-	-	(2,856)
Share of results of joint venture and associate	378	-	487	-	865
	<u>5,361</u>	<u>(24,471)</u>	<u>168</u>	<u>254</u>	<u>(18,688)</u>
Tax expense	(64)	(86)	-	-	(150)
Net profit/(loss) for the year	<u>5,297</u>	<u>(24,557)</u>	<u>168</u>	<u>254</u>	<u>(18,838)</u>
<b>Segment assets:</b>					
Segment assets	288,450	18,684	55,641	(73,955)	288,820
Investment in associates	9,903	-	4,389	(2,471)	11,821
Investment in joint ventures	12,887	-	30,863	-	43,750
Tax assets	2,390	-	-	1,138	3,528
Total assets	<u>313,630</u>	<u>18,684</u>	<u>90,893</u>	<u>(75,288)</u>	<u>347,919</u>
<b>Segment liabilities:</b>					
Segment liabilities	257,267	126,459	6,227	(135,404)	254,549
Tax liabilities	5,822	-	-	517	6,339
Total liabilities	<u>263,089</u>	<u>126,459</u>	<u>6,227</u>	<u>(134,887)</u>	<u>260,888</u>
<b>Capital expenditure</b>	<u>4,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,618</u>
<b>Significant non-cash items:</b>					
Depreciation and amortisation	<u>6,303</u>	<u>265</u>	<u>4</u>	<u>-</u>	<u>6,572</u>

## 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
<b>2017</b>					
<b>Revenue:</b>					
External customers	1,429,396	865,126	-	-	2,294,522
Dividend income	1,459	-	-	-	1,459
Total revenue	1,430,855	865,126	-	-	2,295,981
<b>Results:</b>					
Segment results	6,635	(110,571)	(1,394)	(1,570)	(106,900)
Interest income	250	10	577	(577)	260
Finance expenses	(2,127)	(559)	(543)	555	(2,674)
Share of results of joint venture and associate	116	-	(196)	-	(80)
	4,874	(111,120)	(1,556)	(1,592)	(109,394)
Tax expense	(254)	(204)	-	-	(458)
Net profit/(loss) for the year	4,620	(111,324)	(1,556)	(1,592)	(109,852)
<b>Segment assets:</b>					
Segment assets	252,797	42,674	184,687	(196,448)	283,710
Investment in associates	10,271	-	4,536	(2,529)	12,278
Investment in joint ventures	13,176	-	30,504	-	43,680
Tax assets	504	-	-	1,190	1,694
Total assets	276,748	42,674	219,727	(197,787)	341,362
<b>Segment liabilities:</b>					
Segment liabilities	224,018	125,891	16,312	(138,420)	227,801
Tax liabilities	5,491	-	-	540	6,031
Total liabilities	229,509	125,891	16,312	(137,880)	233,832
<b>Capital expenditure</b>	3,561	91	14	-	3,666
<b>Significant non-cash items:</b>					
Depreciation and amortisation	4,362	282	1	1,592	6,237

## 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Europe	2,007,464	1,430,855	66,069	64,181
Hong Kong	18,333	745,820	-	-
People's Republic of China	-	-	32,782	30,905
Singapore	-	-	223	6,721
Others	-	119,306	-	-
	<u>2,025,797</u>	<u>2,295,981</u>	<u>99,074</u>	<u>101,807</u>

**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.**

	<u>Group</u>		
	<u>Year ended</u>	<u>Year ended</u>	<u>Increase/</u>
	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>	<u>(decrease)</u>
	US\$'000	US\$'000	%
Revenue reported for first half year	962,715	1,206,291	(20)
Net (loss)/profit after tax reported for first half year	(20,903)	8,234	N.M
Revenue reported for second half year	1,063,082	1,089,690	(2)
Net profit/(loss) after tax reported for second half year	2,065	(118,086)	N.M

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

	<u>Latest Full Year</u>	<u>Previous Full Year</u>
	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. 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 offices in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Zang Jian Jun**  
**Executive Chairman**  
**Date: 25 February 2019**