



UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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	Six	Six	Increase
	months	months		months	months	
	ended	ended	/(decrease)	ended	ended	/(decrease)
	30 Jun 2018	30 Jun 2017	%	30 Jun 2018	30 Jun 2017	%
	US\$'000	US\$'000		US\$'000	US\$'000	
Revenue	510,766	594,062	(14)	962,715	1,206,291	(20)
Cost of sales	(498,064)	(577,350)	(14)	(939,546)	(1,173,711)	(20)
Gross profit	12,702	16,712	(24)	23,169	32,580	(29)
Other operating income	49	610	(92)	4,726	1,017	365
Selling and distribution expenses	(11,455)	(9,754)	17	(22,410)	(19,321)	16
Administrative expenses	(1,966)	(1,813)	8	(3,833)	(3,280)	17
Other operating expenses	(3,883)	(335)	1,059	(22,518)	(650)	3,364
Finance expenses	(775)	(791)	(2)	(1,502)	(1,410)	7
Share of results of associates and joint ventures	1,019	(255)	N.M	922	301	206
(Loss)/profit before income tax	(4,309)	4,374	N.M	(21,446)	9,237	N.M
Income tax expense	(91)	(843)	(89)	543	(1,003)	N.M
(Loss)/profit for the period	(4,400)	3,531	N.M	(20,903)	8,234	N.M
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations	(1,974)	1,741	N.M	(533)	1,798	N.M
Other comprehensive income for the period	(1,974)	1,741	N.M	(533)	1,798	N.M
Total comprehensive income for the period	(6,374)	5,272	N.M	(21,436)	10,032	N.M
(Loss)/profit attributable to:						
Owners of the Company	(4,575)	3,227	N.M	(20,523)	7,624	N.M
Non-controlling interests	175	304	(42)	(380)	610	N.M
(Loss)/profit for the period	(4,400)	3,531	N.M	(20,903)	8,234	N.M
Total comprehensive income attributable to:						
Owners of the Company	(5,719)	4,114	N.M	(22,366)	8,541	N.M
Non-controlling interests	(655)	1,158	N.M	930	1,491	(38)
Total comprehensive income for the period	(6,374)	5,272	N.M	(21,436)	10,032	N.M

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

<u>Group</u>	Three months ended	Three months ended	Increase	Six months ended	Six months ended	Increase
	30 Jun 2018	30 Jun 2017	/(decrease)	30 Jun 2018	30 Jun 2017	/(decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Government credit	-	(5)	(100)	(5)	(10)	(50)
(Gain)/loss on disposal of property, plant and equipment	(1)	73	N.M	9	97	(91)
Interest income	(18)	(71)	(75)	(146)	(118)	24
Depreciation and amortisation	1,619	1,072	51	3,309	2,127	56
Allowance for doubtful debts	3,876	634	511	22,228	652	3,309
Directors' fees	57	53	8	113	106	7
Finance expenses	775	791	(2)	1,502	1,410	7
Professional fees	582	447	30	1,054	750	41
Rental expenses	828	688	20	1,679	1,360	23
Staff costs (including key management personnel compensation)	6,700	6,234	7	12,566	11,700	7
Travelling expenses	149	194	(23)	317	412	(23)

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 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	33,713	35,580	-	-
Intangible assets	8,067	8,386	-	-
Investments in subsidiaries	-	-	49,000	49,000
Investments in associates	12,752	12,278	-	-
Investments in joint ventures	43,847	43,680	-	-
Available-for-sale financial assets	16	17	-	-
Deferred tax assets	1,412	1,436	-	-
Other receivables	327	430	-	-
Total non-current assets	100,134	101,807	49,000	49,000
Current assets:				
Inventories	44,759	57,866	-	-
Trade and other receivables	195,180	140,650	33	36
Amounts due from subsidiaries	-	-	224	208
Amounts due from related companies	374	2,167	-	-
Tax recoverable	2,181	258	-	-
Cash and cash equivalents	17,715	38,614	-	-
Total current assets	260,209	239,555	257	244
Total assets	360,343	341,362	49,257	49,244
LIABILITIES AND EQUITY				
Current liabilities:				
Provisions	149	148	-	-
Trade and other payables	178,337	170,044	198	204
Derivative financial liabilities	322	966	-	-
Loans and borrowings	64,272	19,257	-	-
Amounts due to holding company	-	2,685	-	-
Amounts due to subsidiary company	-	-	400	-
Amounts due to related companies	243	6,699	-	-
Total current liabilities	243,323	199,799	598	204
Non-current liabilities:				
Provisions	8,528	8,787	-	-
Deferred tax liabilities	5,139	6,031	-	-
Loans and borrowings	16,652	17,974	-	-
Other payables	607	1,241	-	-
Total non-current liabilities	30,926	34,033	-	-
Total liabilities	274,249	233,832	598	204
Equity:				
Share capital	545	545	545	545
Share premium	196,308	196,308	196,308	196,308
Accumulated losses	(128,395)	(107,872)	(148,194)	(147,813)
Foreign currency translation reserve	1,958	3,801	-	-
	70,416	92,782	48,659	49,040
Non-controlling interests	15,678	14,748	-	-
Total equity	86,094	107,530	48,659	49,040
Total liabilities and equity	360,343	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 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Amount payable in one year or less or on demand	3,961	13,077	60,554	15,564
Amount payable after one year	16,652	17,974	-	-

Details of any collateral

The secured borrowings of US\$60.55 million which are secured with trade receivables of the subsidiaries.

Contingent liabilities

As at 30 June 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 Jun 2018 US\$'000	Three months ended 30 Jun 2017 US\$'000	Six months ended 30 Jun 2018 US\$'000	Six months ended 30 Jun 2017 US\$'000
Operating activities				
(Loss)/profit before income tax	(4,309)	4,374	(21,446)	9,237
Adjustment for:				
Depreciation and amortisation	1,619	1,072	3,309	2,127
(Gain)/loss on disposal of property, plant and equipment	(1)	73	9	97
Fair value measurement on derivative instrument	(561)	(442)	(628)	(727)
Allowance for doubtful debts	3,876	634	22,228	652
Impairment in joint venture	-	5	-	5
Interest expenses	519	552	992	964
Interest income	(18)	(71)	(146)	(118)
Share of results of associate and joint ventures	(1,019)	255	(922)	(301)
Exchange realignment	326	(9,724)	10,909	(9,880)
Operating cash flows before changes in working capital	432	(3,272)	14,305	2,056
Changes in working capital:				
Inventories	9,469	3,848	12,171	4,612
Trade and other receivables	(26,888)	5,287	(78,830)	(25,089)
Trade and other payables	18,675	6,058	10,294	18,888
Cash flows used in operations	1,688	11,921	(42,060)	467
Income taxes paid	(638)	(740)	(2,332)	(937)
Interest paid	(519)	(552)	(992)	(964)
Interest received	18	71	146	118
Net cash flows generated from/(used in) operating activities	549	10,700	(45,238)	(1,316)
Investing activities				
Proceeds from disposal of property, plant and equipment	-	2	4	93
Purchases of intangible assets, property, plant and equipment	(944)	(1,174)	(1,624)	(1,646)
Net cash flows used in investing activities	(944)	(1,172)	(1,620)	(1,553)
Financing activities				
(Repayment of)/proceeds from borrowings	(185)	1,185	(656)	(1,310)
Repayment of obligation under finance leases	(9)	(13)	(17)	(26)
Repayment to holding company	(2,527)	(1,000)	(2,685)	(1,500)
Proceeds from/(repayment to) related companies	1,292	(2,028)	(4,688)	(8,911)
Net cash flows used in financing activities	(1,429)	(1,856)	(8,046)	(11,747)
Net (decrease)/increase in cash and cash equivalents	(1,824)	7,672	(54,904)	(14,616)
Cash and cash equivalents at the beginning of the period	(40,746)	774	23,050	23,032
Effect of exchange rate changes on cash and cash equivalents	(269)	25	(10,985)	55
Cash and cash equivalents at the end of the period	(42,839)	8,471	(42,839)	8,471
Cash and bank balance	17,715	43,896	17,715	43,896
Fixed deposit pledged	-	(609)	-	(609)
Bank overdrafts	(60,554)	(34,816)	(60,554)	(34,816)
Cash and cash equivalents per consolidated statement of cash flows	(42,839)	8,471	(42,839)	8,471

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	
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	-	-	(20,523)	-	(20,523)	(380)	(20,903)
Exchange differences on translating foreign operations	-	-	-	(1,843)	(1,843)	1,310	(533)
Balance at 30 June 2018	545	196,308	(128,395)	1,958	70,416	15,678	86,094
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	-	-	7,624	-	7,624	610	8,234
Exchange differences on translating foreign operations	-	-	-	917	917	881	1,798
Balance at 30 June 2017	545	196,308	11,046	917	208,816	17,802	226,618

	Attributable to the owners of the Company			Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Accumulated losses 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	-	-	(381)	(381)
Balance at 30 June 2018	545	196,308	(148,194)	48,659
At 1 January 2017	545	196,308	(24,366)	172,487
Loss for the period, representing total comprehensive income for the period	-	-	(513)	(513)
Balance at 30 June 2017	545	196,308	(24,879)	171,974

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 June 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 June 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		Six months ended	
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	US\$	US\$	US\$	US\$
(Loss)/profit attributable to owners of the Company	(4,575,365)	3,226,495	(20,523,057)	7,623,511
(Losses)/earnings per ordinary share	US Cents	US Cents	US Cents	US Cents
(a) Based on the weighted average number of ordinary shares in issue; and	(0.1081)	0.0762	(0.4848)	0.1801
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	(0.1081)	0.0762	(0.4848)	0.1801
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 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
	US cents	US cents	US cents	US cents
Net assets value per ordinary share	<u>1.663</u>	<u>2.192</u>	<u>1.149</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\$70,415,925 as at 30 June 2018 (31 December 2017: US\$92,781,768) and the Company's net assets of approximately US\$48,659,346 as at 30 June 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:-
- 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
 - 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 second quarter of the year ("2Q 2018") decreased to US\$510.77 million from US\$594.06 million in the second quarter of last year ("2Q 2017"), a decrease of 14% on quarter to quarter ("Q-to-Q"). The Group's revenue decreased by 20% from US\$1.21 billion for the six months ended 30 June 2017 ("6M 2017") to US\$962.72 million for the six months ended 30 June 2018 ("6M 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 Jun 2018	Three months ended 30 Jun 2017	Six months ended 30 Jun 2018	Six months ended 30 Jun 2017
<u>Revenue</u>	US\$'000	US\$'000	US\$'000	US\$'000
Distribution	510,766	333,788	944,382	680,738
Wholesale	-	260,274	18,333	525,553
	<u>510,766</u>	<u>594,062</u>	<u>962,715</u>	<u>1,206,291</u>

The Group reported a gross profit of US\$12.70 million in 2Q 2018, a decrease of 24% as compared to US\$16.71 million in 2Q 2017. The total gross profit was US\$23.17 million for the 6M 2018, a decrease of US\$9.41 million or 29% compared to US\$32.58 million for the 6M 2017, due to the gross profit generated from wholesale segment reduced significantly. The gross margin decreased from 2.70% in 6M 2017 to 2.41% in 6M 2018 due to lower profit margin generated from distribution segment.

Other operating income for 2Q 2018 and 2Q 2017 were US\$0.05 million and US\$0.61 million respectively, and that for 6M 2018 and 6M 2017 were US\$4.73 million and US\$1.02 million respectively, mainly due to service income generated from the services rendered to AnAn Group (Singapore) Pte Ltd.

Selling and distribution expenses increased by 17% to US\$11.46 million in 2Q 2018 from US\$9.75 million in 2Q 2017 and 16% to US\$22.41 million in 6M 2018 from US\$19.32 million in 6M 2017. Administrative expenses increased by 8% and 17% to US\$1.97 million and US\$3.83 million in 2Q 2018 and 6M 2018 respectively, as compared to US\$1.81 million and US\$3.28 million in 2Q 2017 and 6M 2017 respectively. Other operating expenses in 2Q 2018 and 6M 2018 were US\$3.88 million and US\$22.52 million respectively, as compared to US\$0.34 million in 2Q 2017 and US\$0.65 million in 6M 2017. This increase was mainly due to allowance for receivables amounting to US\$3.88 million in 2Q 2018 and US\$22.23 million in 6M 2018. Finance expenses decreased by 2% from US\$0.79 million in 2Q 2017 to US\$0.78 million in 2Q 2018 and increased by 7% from US\$1.41 million in 6M 2017 to US\$1.50 million in 6M 2018, mainly due to interest expenses incurred from bank borrowings.

As a result of the abovementioned, the Group recorded a net loss of US\$4.40 million for 2Q 2018 as compared to a net profit of US\$3.53 million for 2Q 2017, mainly due to cessation of the Group's wholesale business in Singapore and an increase in allowance for receivables in the Group's wholesale business in Singapore. The Group recorded a net loss of US\$20.90 million for 6M 2018 as compared to a net profit of US\$8.23 million for 6M 2017, mainly due to a decrease in revenue and profit and an increase in allowance for receivables in the Group's wholesale business in Singapore.

Review of the Group's financial position

The Group's non-current assets stood at US\$100.13 million as at 30 June 2018 compared to US\$101.81 million as at 31 December 2017, and comprised the property, plant and equipment of US\$33.71 million, intangible assets of US\$8.07 million, investments in associates and joint ventures of US\$56.60 million, deferred tax assets of US\$1.41 million and other receivables of US\$0.33 million. The decrease of US\$1.67 million was mainly attributable to depreciation of property, plant and equipment.

The current assets stood at US\$260.21 million as at 30 June 2018 compared to US\$239.56 million as at 31 December 2017. Overall, the increase of US\$20.65 million in current assets was mainly from (i) an increase of US\$54.53 million in trade and other receivables to US\$195.18 million as at 30 June 2018 from US\$140.65 million as at 31 December 2017; and (ii) an increase of US\$1.92 million in tax recoverable. The increases resulted from the above was partially offset mainly by a decrease in cash and cash equivalents of US\$20.90 million and inventories of US\$13.11 million.

The increase of US\$43.52 million in current liabilities, which was mainly due to an increase in loans and borrowings of US\$45.02 million, was partially offset by a decrease of US\$6.46 million in amounts due to related companies.

The non-current liabilities decreased from US\$34.03 million as at 31 December 2017 to US\$30.93 million as at 30 June 2018 and are mainly attributable to a decrease in loans and borrowings of US\$1.32 million and a decrease in deferred tax liabilities of US\$0.89 million.

The Group's total liabilities increased by 17% or US\$40.42 million from US\$233.83 million as at 31 December 2017 to US\$274.25 million as at 30 June 2018.

The Group's net assets stood at US\$70.42 million as at 30 June 2018, or 1.663 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\$0.55 million in 2Q 2018, as compared to net cash flows generated from operating activities of US\$10.70 million in 2Q 2017, attributable mainly to an increase in trade and other receivables. Net cash flows of US\$45.24 million used in operating activities was recorded in 6M 2018, as compared to net cash flows used in operating activities of US\$1.32 million recorded in 6M 2017. This was mainly attributable to an increase in trade and other receivables. The net cash flows used in investing activities for 2Q 2018 and 6M 2018 were US\$0.94 million and US\$1.62 million respectively, mainly due to purchases of intangible assets, property, plant and equipment. The net cash flows used in financing activities were US\$1.43 million for 2Q 2018 and US\$8.05 million for 6M 2018, as compared to net cash flows used in financing activities of US\$1.86 million in 2Q 2017 and US\$11.75 million in 6M 2017, mainly due to the repayment to holding company and related companies and repayment of borrowings.

As a result of the above, the Group's cash and cash equivalents per consolidated statement of cashflows comprised cash and bank balances of US\$17.72 million and bank overdrafts of US\$60.55 million as at 30 June 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). As announced on 13 April 2018 and 9 May 2018, SPE has yet to receive any payment from CEFC HK. The Group submitted a winding up application to the High Court of the Hong Kong Special Administrative Region (the “Court”) against CEFC HK. The Group was thereafter informed that prior to the Group’s submission of the winding up application, CEFC HK was already the subject of a winding up application filed against it by another creditor of CEFC HK (“Existing Winding Up Application”). During the hearing of the Existing Winding Up Application, the Court had approved the appointment of provisional liquidators who will conduct investigations on the affairs of CEFC HK. As at the date of this announcement, the hearing of the Existing Winding Up Application has been adjourned to 2 October 2018 to allow more time for the provisional liquidators to conduct the investigations. In light of developments in the Existing Winding Up Application, the Group had also agreed to adjourn the hearing of its winding up application against CEFC HK. The Group will continue to closely monitor the matter and will take all necessary measures to ensure the best interest of the Group. Further announcements will be made if there are any material developments in this matter.

On 30 July 2018, the Group announced that its controlling shareholder with 63.82% stake, AnAn Group (Singapore) Pte. Ltd., received a statutory demand from VTB Bank (“VTB”) on 23 July 2018, for the repayment of the sum amounting to approximately US\$170.4 million. The Board is of the view that the statutory demand from VTB and any potential liquidation of AnAn Group, as well as any change of control of the Group arising from any such liquidation, could have an impact on the Group’s business and operations.

Other than the potential impact from the issues discussed above, the Group’s other businesses are expected to continue operating stably. The Group is conducting a thorough review on 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 provides the provision of office space (including meeting room), usage of the accounting platform, the 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. The service fee will be reviewed in mid of 2018 or any other time as requested by SPE.

During the period under review, Singapore AnAn Petrochemical & Energy Pte Ltd had outstanding receivables of US\$10,619,000 owing from a third-party counterpart, of which US\$2,260,839 had been offset against amounts due to AnAn Group and US\$5,000,000 had been paid by AnAn Group on behalf of the counterpart.

14. Negative confirmation pursuant to Rule 705(5)

We, Zang Jian Jun and Zhao Guang Ming, 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 June 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 August 2018