



ANAN INTERNATIONAL LIMITED

(Incorporated in Bermuda)
(Company Registration no. 35733)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) ON THE COMPANY’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board of Directors (“**Board**”) of AnAn International Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wish to provide the following information in response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 27 May 2024 to the Company’s Annual Report for the Financial Year ended 31 December 2023:

SGX-ST Query 1:

The Company disclosed that the Group's revenue in FY2023 was primarily from the oil distribution business in France and Spain operated through Dyneff Group. We further note from Page 73-75 that there were a number of subsidiaries held through Dyneff Group that have not been audited and many of which are, inter alia, in the business of Distributor of refined petroleum products. In that regard, please explain the contribution of these non-audited subsidiaries and substantiate how the AC and the Board were satisfied that Rules 712 and Rule 715 together with Rule 716 of the SGX Listing Manual have been complied with, as disclosed on Page 20, and robustly substantiate with the bases for such assessment.

Company’s Response:

A total of twelve foreign-incorporated subsidiaries (“12 companies”) were not required to be audited by the laws of incorporation in France and Spain due to their sizes. The total equity value of these 12 companies was US\$5.98 million as at 31 December 2023, which is only 5.92% of the Group’s consolidated net assets of US\$100.95 million as at 31 December 2023. The total FY2023 revenue contributed by these 12 companies was US\$42.31 million, which is only 1.65% of the Group’s FY2023 consolidated revenue of US\$2.57 billion. The total FY2023 net profit contributed by these 12 companies was US\$432,000, which is only 3.44% of the Group’s FY2023 consolidated net profit of US\$12.56 million. Hence, these 12 companies are considered not significant foreign-incorporated subsidiaries to the Group.

The accounts of these 12 companies are prepared and maintained by an external firm of accountants that are subject to all the professional controls and standards applicable to these professions. These accounts are also subsequently reviewed by subsidiary group’s auditors, Ernst & Young France, for consolidation purpose. With the internal financial controls of the subsidiary group and the assurance given by external auditors and the internal auditor, both the Audit Committee and the Board were satisfied that Rules 712 and Rule 715 together with Rule 716 of the SGX Listing Manual have been complied with, as disclosed in Page 20 of the FY2023 Annual Report.

SGX-ST Query 2:

We note that Mr Alila Aymya Av ("Mr Alila") has been appointed as the Independent Director since 1 August 2023 but has not completed his prescribed trainings pursuant to Rule 210(5)(a) of the Listing Rules yet. Please explain whether the Company will be in breach of listing rule 210(5)(a) and if so, the reasons for the delay. To also disclose what were/are the scheduled dates of his training and whether Mr Alila is on track to complete the prescribed trainings by 31 July 2024, being one year from his appointment to the Board.

Company's Response:

The Company will be in compliance with Listing Rule 210(5)(a). Mr Alila is scheduled to attend and complete the Listed Entity Director courses organised by the Singapore Institute of Directors on 9 July and 17 July 2024. He is on the track to complete the prescribed trainings by 31 July 2024, being one year from his appointment to the Board.

SGX-ST Query 3:

Listing Rule 710A requires an issuer to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity. An issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer's targets to achieve diversity on its board;
- (b) the issuer's accompanying plans and timelines for achieving the targets;
- (c) the issuer's progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

As the Company had not described the specific targets, accompanying plans, timelines and progress towards achieving such targets in its Board Diversity Policy on Page 10, please further elaborate and disclose accordingly pursuant to Listing Rule 710A.

Company's Response:

As disclosed in page 10 of the FY2023 Annual Report, the Board has put in place a Board Diversity Policy which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Company has the opportunity to benefit from all available talents. In reviewing the Board composition and succession planning, the Nominating Committee ("NC") will consider the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. No candidate shall be disregarded by virtue of disability, gender, sexual orientation, age, race, ethnicity, religion, physical impairment, or any other potential factor of difference.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board. This is demonstrated by the appointments of Ms Ling Zhi and Ms Li Xiao Ming as Independent Directors of the Company from 7 February 2013 to 17 February 2022 and 17 February 2022 to 1 August 2023, respectively. Their appointments added gender diversity to the composition of the Board of the Company, and representing 25% of the Board.

The NC will discuss annually the relevant measurable objectives for promoting and achieving diversity on the Board and make its recommendations for consideration and approval by the Board. The objectives may involve at any given time, one or more aspects of board diversity with different timelines for achievement.

Given the diverse qualifications, experience, backgrounds and profiles of the Directors, including the Independent Directors, the NC and the Board are of the view that the current Board and Board Committees as a group provides an appropriate balance and diversity of relevant skills, experience and knowledge for the Board to be effective. It also allows for informed and constructive discussion and effective decision making at the Board meetings and ensure there was no groupthink.

The Company believes that the Listing Rule 710A have been complied with and the Company will continue to maintain a satisfactory level of diversity and it is an ongoing process which may need to be updated as and when the business of the Group develops.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
29 May 2024