



**ANAN INTERNATIONAL LIMITED**  
(Incorporated in Bermuda)  
(Company Registration no. 35733)

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**RESPONSE TO QUERIES BY  
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

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SGX-ST raised certain queries to AnAn International Limited (“**Company**”, and together with its subsidiaries, collectively “**Group**”) in respect of the Company’s unaudited Financial Statements for the Period Ended 30 September 2020 released on 11 November 2020. The Board of Directors (“**Board**”) of the Company responds to these queries as follows:

**SGX Query 1**

**Page 2: Bad debts written-off – US\$109,000**

Explain the increase from nil to US\$109,000.

**Company’s response to SGX Query 1**

The bad debts amounting to US\$109,000 were written off by the French subsidiaries of the Company (the “**Dyneff Group**”) as follows:

- (a) 75% of the US\$109,000 (i.e., US\$81,750) was written off in the period ended 30 September 2020 in relation to two customers of the Dyneff Group which were confirmed to be non-recoverable by the relevant insurance company in France; and
- (b) 25% of the US\$109,000 (i.e., US\$27,250) was written off in relation to amounts due from small individual customers of the Dyneff Group for gas supply that were non-recoverable.

**SGX Query 2**

**Page 3: Intangible assets - US\$11,850,000**

Explain the increase from US\$9,257,000 to US\$11,850,000.

**Company’s response to SGX Query 2**

The increase in intangible assets of US\$2.59 million was mainly attributable to the goodwill generated of US\$1.19 million from the purchase by the Dyneff Group of a 100% subsidiary, Orceyre SAS on 2 July 2020. In the Orceyre’s financial statements, there was equally an existing goodwill of US\$1.04 million which arose due to small commercial business purchases which took place in 2018. The remaining increase of US\$0.36 million was due to the purchase of software by the Dyneff Group during the same reporting period.

### **SGX Query 3**

Page 3: Amounts due from related companies - US\$4,831,000

Explain the increase from US\$2,730,000 to US\$4,831,000.

#### **Company's response to SGX Query 3**

The increase in amounts due from related parties from US\$2,730,000 to US\$4,831,000 is due to the advances provided by Dyneff SAS to two 50% joint ventures of the Group in France. The breakdown of the total advances of US\$2.1 million is as follows:

- (a) US\$1.5 million for the working capital requirements of one of the joint ventures; and
- (b) US\$0.6 million for the capital expenditure of the other joint venture.

### **SGX Query 4**

Page 3: Loans and borrowings - US\$28,809,000

Explain the increase from US\$9,116,000 to US\$28,809,000.

#### **Company's response to SGX Query 4**

The increase of US\$19.69 million in loans and borrowings under current liabilities arises for the following two reasons:

- (a) the drawing of short-term facilities of US\$14.45 million to meet the fluctuations in working capital requirements of the Dyneff Group, which was previously announced on 11 October 2020; and
- (b) the reclassification of long-term borrowings to short-term borrowings in the amount of US\$5.16 million which were owed to the minority shareholder of the Company's indirect French subsidiary Rompetrol France SAS.

**For and on Behalf of the Board of  
AnAn International Limited**

Shirley Tan  
Company Secretary  
23 December 2020