



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

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**PROPOSED ACQUISITION OF A REFINED PETROLEUM PRODUCTS WHOLESale  
DISTRIBUTION COMPANY**

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**1. INTRODUCTION**

The Board of Directors of Anan International Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Dyneff SAS (the “**Purchaser**”), has entered into a share purchase agreement (the “**Agreement**”) dated 25 July 2023 (the “**SPA Date**”) with Rubis Terminal (the “**Seller**”), for the proposed acquisition by Dyneff of a 100% stake in CPA SAS (the “**Target Company**”), a company incorporated in France, whose business is in the wholesale distribution of refined petroleum products (the “**Proposed Transaction**”). The completion of the Proposed Transaction would be subject to the fulfilment of the conditions precedent of the Agreement. Rompetrol France SAS (together with its subsidiaries, the “**Dyneff Group**”) is a 51% indirect subsidiary of the Company, and Dyneff is a 100% wholly owned subsidiary of Rompetrol France SAS. The Purchaser and Seller are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**”.

**2. INFORMATION ON THE TARGET COMPANY**

The Target Company is incorporated in France and has an issued and paid-up capital of EUR 2,035,998 (equivalent to approximately USD 2,215,980 based on the exchange rate of EUR 1:USD 1.0884) comprising 565,555 ordinary shares (the “**Assigned Shares**”) as at the SPA Date.

The Target Company is a wholesale distributor of refined petroleum products, including diesel, heating oil and off-road diesel, to professionals and retail distributors. The Target Company distributes around 195,000 cubic meters of oil products annually and has over 18,000 cubic meters of rented storage capacities in four strategically placed oil terminals in France.

The net tangible asset value of the Target Company as at 31 December 2022 was EUR 5,822,384 (equivalent to approximately USD 6,337,083 based on the exchange rate of EUR 1:USD 1.0884).

The book value of the Target Company as at 31 December 2022 was EUR 5,822,384 (equivalent to approximately USD 6,337,083 based on the exchange rate of EUR 1:USD 1.0884).

**3. INFORMATION ON THE SELLER**

The Seller is a limited liability company incorporated on 1 January 1957 in France and is mainly engaged in the storage of industrial liquid bulk products in France, Spain, Belgium and the Netherlands. The Seller is an independent third party unrelated to any of the directors and controlling shareholders (as defined in the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), of the Group.

#### 4. RATIONALE FOR THE PROPOSED TRANSACTION

The Proposed Transaction was made as part of the five years strategic plan implemented by the Dyneff Group. This strategic plan includes investments in core business such as wholesale distribution companies to reinforce the Group's geographical footprint.

#### 5. SALIENT TERMS OF THE PROPOSED TRANSACTION

##### 5.1. Conditions Precedent

The closing for the Proposed Transaction shall be subject, among other things, to the following conditions precedent:-

- (a) authorization of the Proposed Transaction by the relevant Competition Authority, if applicable;
- (b) waiver by all employees of CPA to their rights to submit a purchase offer for the Assigned Shares;
- (c) the Foreign Investment Control Approval shall have been obtained, if applicable;
- (d) Purchaser has substituted itself as guarantor under the Seller-issued Parental Company Guarantee ("**PCG**") and the Parties have obtained that *Société Générale bank* as PCG beneficiary delivers written discharge of the Seller under the PCG and written confirmation that it has accepted Purchaser as new guarantor under the PCG;
- (e) Purchaser has substituted itself as guarantor under the Seller Customs Guarantee ("**SCG**") and the Parties have obtained that the French customs as beneficiary of the SCG delivers written discharge of the Seller under the SCG and written confirmation that it has accepted Purchaser as new guarantor under SCG;
- (f) Purchaser has substituted itself as guarantor under the Seller-issued Supplier Guarantees ("**SG**") and the Parties have obtained that the concerned suppliers as beneficiaries of the SG deliver written discharge of the Seller under the SG and written confirmation that it has accepted Purchaser as new guarantor under SG;
- (g) Purchaser has substituted itself as guarantor under the RT Guarantee ("**RTG**") and the Parties have obtained that *Société Générale bank* as RTG beneficiary delivers written discharge of the Seller under the RTG and written confirmation that it has accepted Purchaser as new guarantor under the RTG. RTG is the guarantee granted by Seller to *Société Générale bank* in relation with the guarantee granted by *Société Générale bank* to a French quasi-governmental body aimed to manage strategic stocks of oil products;
- (h) all intragroup debts and borrowings existing between Seller and the Target Company have been repaid;
- (i) Purchaser has taken all measures so that the Target Company has taken out all insurance policies required for its business, liabilities and assets;
- (j) all the storage capacity providers of the Target Company have given their consent to the change of control when such agreements provide for a prior approval of the direct or indirect change of control.

- 5.2. If the Conditions Precedent are not satisfied by 31 December 2023 (the “**Limit Date**”), then, unless Seller and Purchaser agree in writing to extend the Limit Date, this Agreement shall terminate at 23:59 (Paris time) on the Limit Date.
- 5.3. The Conditions Precedent listed in paragraph 5.1 (a) to (c) and 5.1 (h) are for the benefit of both Parties and any of them may be expressly waived (to the extent permitted by any applicable law) in writing by both Parties, while the Conditions Precedent listed in paragraph 5.1 (d) to (g) and 5.1 (i) are for the only benefit of Seller and any of them may be expressly waived in writing by Seller; the Conditions Precedent listed in paragraph 5.1 (j) is for the only benefit of Purchaser and may be expressly waived in writing by Purchaser.
- 5.4. The closing of the Proposed Transaction contemplated by this Agreement (“**Closing**”) will take place on or before the third (3<sup>rd</sup>) Business Day following the notification by Seller of satisfaction or waiver of the Conditions Precedent set forth in paragraph 5.1 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions at such time), remotely via exchange of documents unless another place or date is mutually agreed upon in writing by both Parties. The date upon which the Closing actually occurs shall be referred to herein as the “**Closing Date**”.
- 5.5. On the Closing Date, both Parties shall provide, as far as they are concerned, satisfactory evidence that the Conditions Precedent provided in paragraph 5.1, unless waived by the relevant Parties, have been duly satisfied.
- 5.6. In the event that any Party fails to complete any of the actions and deliveries on the Closing Date, then the other Party shall be entitled to refuse to proceed with the Completion and shall have right to terminate the Agreement, without incurring any liability in relation to the other Party in connection with such refusal and termination.
- 5.7. Pursuant to the Agreement, the Seller, Purchaser and Target Company have furnished representations and warranties typical for transactions such as the Proposed Transaction.

## 6. **CONSIDERATION AND SOURCE OF FUNDS**

A consideration (the “**Consideration**”) at a pre-adjusted value of EUR 9,411,247 (equivalent to approximately USD 10,243,201 based on the exchange rate of EUR 1: USD 1.0884) shall be paid by Purchaser for the Proposed Transaction. Based on the terms of the Agreement, Purchaser will pay Consideration to the Seller as at Closing Date. The difference of Consideration between pre-adjusted value and adjusted value would be paid or refunded once the adjustment accounts as at the Closing Date have been audited and when the Parties have agreed on the final Consideration, after adjusting the book value of the Target Company for cash, debt and working capital on the basis of the adjustment accounts. According to the terms of the Agreement, the Purchaser has to provide the adjustment accounts as at the Closing Date within 60 days from the Closing Date, Seller has 30 days to audit the adjustment accounts and will agree or provide a final price calculation with written explanation and supporting for acceptance by Purchaser.

The value of the Target Company was determined based on a five-year business plan of the business, taking into consideration the nature of the customer portfolio, the location, the state of this particular industry and market in France. The Consideration was derived based on (a) various valuation methods commonly used in mergers and acquisitions transactions including earnings before interest, taxes, depreciation, and amortization (EBITDA) multiples, (b) adjustments based on the net cash position, financial and non-operational debts (including provisions, payables overdue and risks) and (c) adjustments to the working capital based on a comparison between the normative working capital and the working capital of the Target Company as at 31 December 2022.

The Consideration will be financed through internal resources of the Purchaser.

## 7. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual and based on the latest announced unaudited consolidated accounts of the Group for the three months financial period ended 31 March 2023 ("Q1 2023") are as set out below:-

Listing Rule	Bases	Relative Figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b)	Net profits of approximately attributable to the assets acquired, compared with the Group's net profits.	11.80% <sup>(1)</sup>
Rule 1006(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	16.10% <sup>(2)</sup>
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable

### Notes:

- (1) Based on the net profits before tax and non-controlling interest of the Group for Q1 2023 amounted to USD 5.288 million and the net profits before tax and non-controlling interest of the Target Company for the financial year ended 31 December 2022 amounted to USD 623,844 (equivalent to EUR 573,175 based on the exchange rate of EUR 1:USD 1.0884).
- (2) The Company's market capitalisation (based on an issued share capital of 4,233,185,850 shares (excluding treasury shares) and the volume weighted average price of the shares on the SGX-ST as at 24 July 2023 (being the one market day preceding the date of the Agreement) of SGD 0.020 per share) is SGD 84.66 million (equivalent to USD 63.62 million based on the exchange rate of USD 1 to SGD 1.3307).

As the relative figures under Rule 1006(b) and Rule 1006(c) above exceed five (5) percent but are not more than 20 percent, the Proposed Transaction constitutes a "disclosable transaction" for the Company as defined in Chapter 10 of the Listing Manual.

## 8. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The financial effects of the Proposed Transaction on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Transaction.

The financial effects set out below have been prepared based on the latest consolidated financial statements of the Group for financial year ended 31 December 2022 (“FY2022”) and based on the following key assumptions:

- (a) the effect on the net tangible assets per share of the Group is based on the assumption that the Proposed Transaction had been effected at the end of FY2022; and
- (b) the effect on the earnings per share of the Group is based on the assumption that the Proposed Transaction had been effected at the beginning of FY2022.

### 8.1. Net Tangible Assets (“NTA”)

	Before the Proposed Transaction	After the Proposed Transaction
NTA of the Group attributable to shareholders of the Company (USD'000)	73,518	73,745
Number of shares ('000)	4,233,185	4,233,185
<b>NTA per share (USD cents)</b>	1.737	1.742

### 8.2. Earnings Per Share (“EPS”)

	Before the Proposed Transaction	After the Proposed Transaction
Net profit attributable to shareholders of the Company (USD'000)	21,125	21,352
Weighted average number of shares ('000)	4,233,185	4,233,185
<b>EPS (USD cents)</b>	0.499	0.504

## 9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction (save through their respective shareholdings in the Company).

## 10. SERVICE CONTRACTS

No person will be appointed to the Board of Directors of the Company in connection with the Proposed Transaction and no service contracts in relation thereto will be entered into by the Company.

**11. DOCUMENT FOR INSPECTION**

A copy of the Agreement will be available for inspection during normal business hours at the Company's principal office in Singapore at 10 Anson Road #17-12 International Plaza Singapore 079903 for a period of three (3) months from the date of this announcement.

**12. RESPONSIBILITY STATEMENT BY THE DIRECTORS**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**13. CAUTIONARY STATEMENT**

Shareholders and potential investors should exercise caution when trading in the Company's shares, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional advisers.

**BY ORDER OF THE BOARD**

**Zang Jian Jun**  
**Executive Director and Executive Chairman**  
**Date: 26 July 2023**