



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

**PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF TP DISTRIBUTION
TRANSPORT SARL – GRANT OF WAIVER IN RELATION TO PROPOSED TRANSACTION**

1. INTRODUCTION

The Board of Directors (“**Board**”) of Anan International Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated 27 July 2021 and 17 August 2021 (“**17 August Announcement**”) in respect of a call option (Promesse d’Acquisition de Parts Sociales Sous Condition Suspensive Unique) (“**Call Option**”) granted in favour of Dyneff SAS, a subsidiary of the Company, on 23 July 2021 (“**Call Option Date**”) to acquire a 100% stake in TP Distribution Transport Sarl (“**TPDT**”) on the terms and subject to the conditions contained in the Call Option (“**Proposed Transaction**”). Unless otherwise defined, all capitalised terms shall have the same meaning ascribed to them in the 17 August Announcement.

2. RECEIPT OF SGX-ST’S WAIVER IN RESPECT OF THE PROPOSED TRANSACTION

- 2.1 The Company had on 1 October 2021 submitted an application to the SGX-ST seeking the SGX-ST’s waiver of Rule 1014(2) of the SGX-ST Listing Manual (“**Listing Manual**”), which requires the prior approval of the Company’s shareholders in relation to the Proposed Transaction (“**Waiver Application**”).
- 2.2 The SGX-ST has on 20 October 2021 informed the Company that the SGX-ST has no objection to the Waiver Application, subject to:
- (a) the Company announcing the waiver (“**Waiver**”) granted, the reasons for the Waiver Application and the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an updated announcement when the conditions have all been met;
 - (b) The Board’s confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company’s country of incorporation);
 - (c) confirmation that none of the Company’s directors and/or controlling shareholders have any interest in the Proposed Transaction;
 - (d) submission of a confirmation from AnAn Group (Singapore) Pte. Ltd. (“**AnAn Group**”), who holds 63.82% of the Company’s shares, that AnAn Group will vote in favour of approving the Proposed Transaction if shareholders’ approval had to be sought; and

- (e) there being no material adverse changes to the information provided to the SGX-ST, including changes to the consideration for the Proposed Transaction, net losses, liabilities and net asset value (“NAV”) of TPDT and to disclose the contents of the Waiver and the Company’s submissions, and quantify the amounts relating to the Consideration, net losses, liabilities and NAV of TPDT in its announcement when making the announcement under Listing Rule 1010 as required in Listing Rule 1014(1).

2.3 As required under paragraphs (b) to (e) above, the following confirmations are made:

- (a) with respect to paragraph 2.2 (b) above, the Board confirms that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company’s country of incorporation);
- (b) with respect to paragraph 2.2 (c) above, the Company confirms that none of the Company’s directors and/or controlling shareholders have any interest in the Proposed Transaction;
- (c) with respect to paragraph 2.2 (d) above, the Company confirms that AnAn Group has provided confirmation that it will vote in favour of approving the Proposed Transaction if shareholders’ approval had to be sought; and
- (d) with respect to paragraph 2.2 (e) above, the Company confirms that, as of 20 October 2021, there are no material adverse changes to the information provided to the SGX-ST in the Waiver Application, including changes to the consideration for the Proposed Transaction, net losses, liabilities and NAV of TPDT.

In the Waiver Application, the Company stated that (i) the total consideration for the Proposed Transaction is EUR 60,000, (ii) the net loss attributable to TPDT amounted to EUR 35,153 (USD 41,445) as of 31 December 2020, and (iii) TPDT’s NAV was EUR 107,017 as of 31 December 2020. The total liabilities of TPDT was EUR 210,795 as of 31 December 2020.

2.4 Further, with respect to paragraph 2.2 (e) above, the Company had sought the Waiver on, *inter alia*, the following grounds:

Waiver of Rule 1014(2)

- (a) The Proposed Transaction would not have been a major transaction pursuant to Rule 1014(2) of the Listing Manual, had the Group’s Q2 2021 financial results been used to calculate the relative figures under Rule 1006(b) of the Listing Manual

The Call Option Date fell within Q3 of the Financial Year of the Group. On the Call Option Date, the Group’s Q2 2021 financial results had not been announced by the Company and only the Group’s Q1 2021 financial results were available to be used for the calculation of the relative figures pursuant to Rule 1006 of the Listing Manual.

Based on the Group’s Q1 2021 financial results, and as announced on 17 August 2021, the relative figures computed on the applicable bases under Rule 1006(b) and Rule 1006(c) of the Listing Manual are as follows:

Table 1

| Rule 1006 | Bases | Relative Figures |
|--------------|--|---------------------------------------|
| Rule 1006(b) | Net profits attributable to the assets acquired, compared with the Group's net profits | -30.01% ⁽¹⁾ ⁽³⁾ |
| 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 | 0.08% ⁽²⁾ ⁽³⁾ |

Notes:

(1) The net loss attributable to TPDT is in the amount of EUR 35,153 (USD41,445) as of 31 December 2020. The Group's net loss is approximately USD 138,000 as of 31 March 2021.

(2) Computed based on the Consideration and the market capitalisation of the Company which was in turn computed based on 4,233,185,850 ordinary shares and the closing price of SGD 0.030 per share transacted on 22 July 2021, being the market day preceding the date of the Call Option in relation to the Proposed Transaction.

(3) Based on an exchange rate of EUR 1:USD 1.1790 and USD 1: SGD1.3562, for information only.

As noted above, the Group's Q2 2021 financial results were not publicly available on the Call Option Date but only became available subsequently on 11 August 2021. The use of the Group's Q2 financial results would have given rise to the following figures:

Table 2

| Rule 1006 | Bases | Relative Figures |
|--------------|--|--------------------------------------|
| Rule 1006(b) | Net profits attributable to the assets acquired, compared with the Group's net profits | -5.72% ⁽⁴⁾ ⁽⁶⁾ |
| 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 | 0.08% ⁽⁵⁾ ⁽⁶⁾ |

Notes:

(4) The net loss attributable to the Target Company is in the amount of EUR 35,153 (USD41,445) as of 31 December 2020. The Group's net loss is approximately USD 725,000 as of 30 June 2021.

(5) Computed based on the Consideration and the market capitalisation of the Company which was in turn computed based on 4,233,185,850 ordinary shares and the closing price of SGD 0.030 per share transacted on 22 July 2021, being the market day preceding the date of the Call Option in relation to the Proposed Transaction.

(6) Based on an exchange rate of EUR 1:USD 1.1790 and USD 1: SGD1.3562, for information only.

As can be seen from Table 2 above, the Proposed Transaction would not have been a major transaction had the Group's Q2 2021 financial results applied. In this regard, the Company submitted that the financial results used to calculate the relative figures under Rule 1006 of the Listing Manual should be the Group's Q2 2021 financial results given that the Group's Q2 2021 financial results (i) had been finalised on the Call Option Date and (ii) is in closer proximity to the Call Option Date than the Q1 figures.

In addition, the Group's Q2 2021 financial results as reflected in Table 2 falls within the situation as contemplated in paragraph 4.4(a) of Practice Note 10.1 of the Listing Manual. Based on paragraph 4.4(a) of Practice Note 10.1 of the Listing Manual, read with paragraph 4.6 of Practice Note 10.1 of the Listing Manual, there would be no requirement for the Company to obtain shareholders' approval for the Proposed Transaction in any event.

By way of further information, as of the date of the Waiver Application, the Group's Q3 2021 financial results were not available.

(b) AnAn Group has a majority shareholding in the Company

As of the date of the Waiver Application, AnAn Group owns approximately 63.82% of the issued and paid-up capital in the Company. Accordingly, the Company is a subsidiary of AnAn Group pursuant to Section 5 of the Companies Act (Cap. 50) of Singapore. While AnAn Group had not undertaken to vote in favour of the Proposed Transaction, shareholders' approval would likely be obtained if a shareholders' meeting is convened.

(c) The figure under Rule 1006(b) of the Listing Manual does not reflect the materiality of the net loss attributable to the proposed Transaction

While the relative figure pursuant to Rule 1006(b) of the Listing Manual appears to be high when using the Group's net loss in relation to the Proposed Transaction, the total consideration for the Proposed Transaction is only EUR 60,000, which is negligible as compared to the market capitalisation of the Company. As set out in Table 1 and Table 2 above respectively, the relative figure for the Proposed Transaction under Rule 1006(c) of the Listing Manual would only be 0.08%.

For further background, the net profit of the Dyneff Group (as defined below) is approximately EUR 500,685 (USD 590,307) as at 31 March 2021 and approximately EUR 869,000 (USD 1,024,551) as at 30 June 2021 whereas the net loss attributable to TPDT is in the amount of EUR 35,153 (USD 41,445) as of 31 December 2020.

As an illustration, if the relative figures under Rule 1006(b) of the Listing Manual are computed based on the net profit attributable to the Dyneff Group for Q1 2021 and Q2 2021, it would give rise to the following figures:

Table 3

| Rule 1006 | Bases | Relative Figures |
|---|---|--------------------------------------|
| Application of Rule 1006(b) based on the Dyneff Group's Q1 2021 net profits | Net profits attributable to the assets acquired, compared with the Dyneff Group's net profits | -7.02% ⁽⁷⁾ ⁽⁸⁾ |
| Application of Rule 1006(b) based on the Dyneff Group's Q2 2021 net profits | Net profits attributable to the assets acquired, compared with the Dyneff Group's net profits | -4.05% ⁽⁷⁾ ⁽⁸⁾ |

Notes:

(7) The net loss attributable to the Target Company is in the amount of EUR 35,153 (USD 41,445) as of 31 December 2020. The Dyneff Group's net profit is approximately EUR 500,685 (USD 590,307) as at 31 March 2021 and approximately EUR 869,000 (USD 1,024,551) as at 30 June 2021.

(8) Based on an exchange rate of EUR 1: USD 1.1790 and USD 1: SGD 1.3562, for information only.

In light of the above, it can be observed that the Proposed Transaction is not significant relative to the financial indicators of Rompetrol France SAS (a 51% indirect subsidiary of the Company) and its subsidiaries (the "**Dyneff Group**"). It is further highlighted that TPDT is a small set up, with an issued and paid-up capital of only EUR 29,000 (equivalent to approximately USD 34,191 based on the exchange rate of EUR 1:USD 1.1790), and a book value of only EUR 107,017 (equivalent to approximately USD 126,173 based on the exchange rate of EUR 1: USD1.1790).

Taking into account of the costs of issuing a circular and convening a special general meeting for shareholders of the Company to approve the Proposed Transaction, considering the nature of the Proposed Transaction as highlighted above, it would be neither feasible nor cost effective for the Company should it be required to obtain shareholder approval for the Proposed Transaction.

(d) No material change to the risk profile of the Company

Board is of the view that the Proposed Transaction will not materially change the risk profile of the Company, and that these transactions are in the interest of the Company and its shareholders and will, in fact, provide the Company with a significant opportunity to enhance its overall asset portfolio. The basis for the Board's views is set out below:

- (i) The Proposed Transaction would not result in an expansion of the Dyneff Group into a new resource or a new jurisdiction, as the Dyneff Group is already involved in the refined petroleum distribution business in France. On the contrary, the Proposed Transaction would be complementary to, and enhances, the Dyneff Group's existing refined petroleum distribution portfolio, as the Proposed Transaction would allow the Dyneff Group to partially internalise its fleet of vehicles which are all currently rented. The objective of the Proposed Transaction is part of the Dyneff Group's strategy to invest in distribution companies to reinforce the Dyneff Group's geographical footprint.
- (ii) The Proposed Transaction would have a non-material impact on the Group's net tangible assets per share (assuming that the Proposed Transaction had been effected at the end of FY2020) and earnings per share of the Group (assuming that the Proposed Transaction had been effected at the beginning of FY2020), as disclosed in the 17 August Announcement.
- (iii) The Proposed Transaction is a good opportunity for the Dyneff Group to acquire expertise in the transportation business, which is particularly significant for the Dyneff Group to enhance its existing refined petroleum distribution network. Potential cost synergies between the Dyneff Group and TPDT can be achieved from joint supply contracts, better negotiating power, and co-use and exchange of delivery trucks and drivers.
- (iv) The Proposed Transaction will be funded entirely by the Dyneff Group's internal funds.

3 FURTHER UPDATES

The Company will provide further updates on the Proposed Transaction in subsequent announcements as appropriate when there are material developments to the Proposed Transaction in accordance with the Listing Manual.

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

Shirley Tan
Company Secretary
26 October 2021