



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

RESPONSE TO FURTHER QUERY RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S RESPONSE TO QUERY 4 DATED 28 NOVEMBER 2023

The Board of Directors ("**Board**") of AnAn International Limited ("**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 28 November 2023 in respect of the responses to queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the Company's Condensed Interim Consolidated Financial Statements for the Nine Months Period Ended 30 September 2023 (the "**Announcement**"). In relation to the foregoing, the Company wishes to provide the following response to the further queries raised by SGX-ST on 29 November 2023:

Unless defined otherwise, all capitalised terms used herein shall have the meaning as ascribed to them in the Announcement.

SGX-ST Query:

1) According to the breakdown of the trade and other receivables of the Company, we note that \$142.9 million in trade receivables due from a related party had been impaired.

(i) Please disclose the identity of this related party, the reason why the full amount of US\$142.9 million was impaired and why the Company expects the credit loss on this related party account to be fully unrecoverable;

(ii) To disclose the directors and shareholders of the related party and its relationship to the Company; and

(iii) To also explain why such a significant amount had been outstanding and collection had not been made promptly, details on when the transaction was undertaken, the underlying transaction and the terms of the transaction which resulted in the significant non-collection and eventual impairment of the balance outstanding.

Company's Response:

(i) The related party is Shanghai Huaxin Group (Hong Kong) Limited ("CEFC HK"). The Group had trade receivables outstanding of US\$142.9 million from this related party since FY2018. No payments have been received by the Group since FY2018. The related party has been placed under court-order winding up, as disclosed in the Group's announcement on SGX on 11 September 2018 and the recoveries of the receivables have been assessed to be remote. In 2018, the Board and the management of the Group decided to take a prudent approach and provided for full impairment of these outstanding trade receivables, resulting in total impairment loss of US\$142.9 million recognised as at 31 December 2018. Nevertheless, as one of the creditors, the Group had filed proof of debts with the liquidators of CEFC HK in 2018 and is still awaiting for the finalisation of the liquidation.

(ii) Mr Ye Jian Ming is previously the Chairman of the related party and is also controlling shareholder of the Company.

(iii) The trade receivables due from third parties are all from Dyneff Group, who operates as an oil distributor in France and Spain. Full impairment losses have been recorded in 2023 and previous years for total trade receivables of US\$10.95 million due to unfair breaches of contracts, leading to non-payment. The current-year trade receivables of US\$5.39 million, which are past due by more than 90 days, are primarily from public and governmental agencies accustomed to overdue payments in the context of France and Spain. However, there is no insolvency risk based on the past records and experience.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
1 December 2023