



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

**RESPONSE TO QUESTIONS IN CONNECTION WITH THE ANNUAL GENERAL
MEETING TO BE HELD ON 30 JUNE 2023**

The Board of Directors of AnAn International Limited (“**Company**” and together with its subsidiaries, the “**Group**”) would like to thank all shareholders of the Company (“**Shareholders**”) who have submitted their questions in advance of the Company’s Annual General Meeting, which will be convened and held by way of electronic means on Friday, 30 June 2023 at 2.00p.m.

Please note that the questions in this Announcement are published as received from Shareholders; and, for the avoidance of doubt, do not necessarily reflect the Group’s acknowledgement, endorsement or acquiescence of the accuracy of any fact or assertion contained therein.

The Board of Directors (“**Board**”) of the Company responds to these questions as follows.

Question 1

“Why no dividend proposed despite FY2022 huge profits?”

Company’s response:

As stated in the Company’s financial statements and related announcement on 24 February 2023 pertaining to Condensed Interim Consolidated Financial Statements for the Financial Statements for the Fourth Quarter and Full Year Ended 31 December 2022, no dividend has been declared or recommended as working capital is required for the Group’s business activities.

Question 2

“Why no profit guidance despite big jump in quarterly profit?”

Company’s response:

The Company’s core business is operating in a volatile industry and facing uncertainty in the business environment as result of various market conditions. The Company will issue profit guidance only if it has material information which is likely to have a material effect on the price or value of its securities, or which may create a false market.

Question 3

“Why do you always paint a very negative comment in the financial result commentary despite continuing growth from Q1 to Q4 in the quarterly profit?”

Company’s response:

The Company provided a review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group’s business, including but not limited to, any significant factors that affected the turnover, costs and earnings of the Group for the relevant financial reporting period reported in every quarterly results announcement, in accordance with Appendix 7.2, paragraph 8 of the Listing Rules.

Question 4

“It seems management is not interested in the share price growth based on your result commentary and lack of Public Relations (“PR”). Will you appoint a PR firm to boost profile of AnAn?”

Company’s response:

The Company instated a broad-scale cost rationalisation plan since FY2018 and has successfully turned Group’s net loss to net profit for continuing two years since FY2020. The costs of PR is currently not in the Company’s yearly budgeted costs plan. The Company will consider the option of appointing PR firm when the board may deem appropriate.

Question 5

“Share price is massively undervalued based on the profits. Why no share buyback proposed?”

Company’s response:

While the Board continues to balance the Group’s business needs as well as looking after stakeholders’ interest, the Board and Management will continue to review and explore viable options to maximise Company and Shareholders’ returns, including share buy-back. The Company is currently focusing on improving business operating conditions. The share buy-back will only be undertaken as and when the Board consider it to be in the best interest of the Company.

Question 6

“What do management plan to do to boost investment profile of AnAn?”

Company’s response:

The Company is currently staying focus on investment holding of its oil distribution business in France and Spain as well as the oil storage and transportation business in China. Besides focusing and monitoring on the core business in oil distribution business to ensure its sustainability, the Company continues to explore potential business opportunities which have high potential value and are able to deliver good investment returns by using conservative risk management approach. Both are management plans to boost investment profile of the Group.

Question 7

“Where are your oil/fuel sourced from?”

Company’s response:

The Group’s oil products are mainly sourced from Europe.

Question 8

“Will the company set up a dividend payout policy since it has been making money from operations?”

Company’s response:

The Company currently does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company’s earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Board may deem appropriate. No dividend was paid or proposed for FY2021 as the Board feels it is prudent to retain cash resources so that the Company has the flexibility to execute its business plans effectively.

Question 9

“When will the 2022 and 2023 financial reports be available for shareholders to understand how the business is doing?”

Company’s response:

The FY2022 full year and first quarter of 2023 results announcement were available and released to SGXNet on 24 February 2023 and 12 May 2023 respectively.

Question 10

“What will be the company’s playbook to transform the company? E.g.70% organic growth and 30% acquisition? How will the company consider for the funding?”

Company’s response:

The Group’s core business is the oil distribution business in Dyneff Group. Dyneff Group is a leading independent energy distributor on French and Spanish markets. With 60 years’ experience, it distributes gasoil, heating oil, gasoline, gas and electricity to a wide range of customers. It provides one roof solutions for demands from stable customer base especially from Southern France. The strategic plan of Dyneff Group is to maintain its current oil distribution market privileges from stable customers base and diversify its energy distribution activities according to demands of their customers whose energy mix has been changing rapidly and getting more diverse. Besides seeking on organic growth, Dyneff Group is also using acquisition strategy to pursue growth opportunities. Dyneff Group will be transformed from an oil distributor to an energy service provider, from traditional energy to new energy. The Group’s funding is mainly sourced from the cash generated by the business and drawings on short-term borrowings. The Group is also actively seeking more long term financing and strategic partners.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
26 June 2023