



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

ACQUISITION OF A REFINED PETROLEUM PRODUCTS DISTRIBUTION COMPANY

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 (“**Dyneff**”), has entered into a share purchase agreement (“**Share Purchase Agreement**”) dated 27 October 2021 (“**SPA Date**”) for the proposed acquisition by Dyneff of a 100% stake in ABC CARBURANTS Sarl (“**Target Company**”), a company incorporated in France, whose business is in the distribution of refined petroleum products (“**Proposed Transaction**”). The completion of the Proposed Transaction would be subject to the fulfilment of the conditions precedents of the Share Purchase 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.

2. INFORMATION ON THE TARGET COMPANY

The Target Company is incorporated in France and has an issued and paid-up capital of EUR 7,130 (equivalent to approximately USD 8,271 based on the exchange rate of EUR 1:USD 1.1600) comprising 713 ordinary shares as at the SPA Date.

The Target Company is a distributor of refined petroleum products, including diesel, gasoline and heating oil, to professionals and private individuals through a small fleet of four (4) mid-size vehicles. The Target Company distributes around 8,500 cubic metres of oil products annually.

The net tangible asset value of the Target Company as at 31 March 2021 was approximately EUR 1,038,122 (equivalent to approximately USD 1,204,222 based on the exchange rate of EUR 1:USD 1.1600).

The book value of the Target Company as at 31 March 2021 was approximately EUR 1,103,166 (equivalent to approximately USD 1,279,673 based on the exchange rate of EUR 1:USD 1.1600).

3. RATIONALE FOR THE ACQUISITION

The Acquisition was made as part of the five years strategic plan implemented by the Dyneff Group. This strategic plan includes investments in distribution companies to reinforce the Group’s geographical footprint.

4. SALIENT TERMS OF THE CONTRACT TERMS

4.1. Conditions Precedent

The closing for the Acquisition shall be subject, *inter alia*, to the following conditions precedent:

- (a) provision of information by the Target Company to the French banks in relation to the acquisition of the Target Company by Dyneff and to obtain authorisation from the relevant French banks to maintain the financing;
- (b) resignation of Mr Alain Beziat and Ms Marie-Christine Beziat;
- (c) execution of a service contract by Mr Alain Beziat with Dyneff;
- (d) no material adverse event to take place between the date of signing and the date of closing;
- (e) auditing of the Target Company's transport equipment;
- (f) transferring out the "fonds de commerce" relating to the depollution activity;
- (g) rectifying the number of shares of the Target Company as reflected in the relevant company registry;
- (h) executing new leases for the Target Company's existing offices;
- (i) changing of legal form of the Target Company to Société par Actions Simplifiée (SAS);
- (j) reimbursing all shareholders' loans;
- (k) filing DAS 2 returns for the calendar years 2016 to 2020; and
- (l) notifying Société Urbaine des Pétroles of the change in shareholding.

5. CONSIDERATION AND SOURCE OF FUNDS

A consideration (the "**Consideration**") at a pre-adjusted value of EUR 2,057,445 (equivalent to approximately USD 2,386,636 based on the exchange rate of EUR 1:USD 1.1600) shall be paid by Dyneff for the Proposed Transaction. Based on the terms of the Share Purchase Agreement, Dyneff will pay 80% of the pre-adjusted Consideration to the sellers as at the completion date. The remainder of the Consideration would be paid once the adjustment accounts as at the completion date have been audited and when the parties have agreed on the final Consideration, after adjusting the enterprise value of the Target Company for cash, debt and working capital on the basis of the adjustment accounts. According to the terms of the Share Purchase Agreement, the Sellers have to provide the adjustment accounts as at the completion date within 60 days from the completion date, Dyneff has 30 days to audit the adjustment accounts and propose a final price calculation. It is estimated that the final adjustment payments to be made by Dyneff to the sellers will take place on or about March 2022.

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 March 2021.

The Consideration will be financed through internal resources of the Dyneff Group.

6. INFORMATION ON THE SELLER

The sellers, Mr Jean-Philippe Beziat and Ms Marie-Christine Beziat, are not related to the Group, and none of the Directors, the Company's substantial shareholders and/or their respective associates has any interests (direct or indirect) in the sellers.

7. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE SGX-ST LISTING MANUAL

The relative figures computed on the applicable bases under Rule 1006 of the Singapore Exchange Securities Trading Limited's (the "SGX-ST") Listing Manual (the "Listing Manual") are as follows:

Rule 1006	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	-35.00% ⁽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	2.71 % ⁽²⁾ ⁽³⁾
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) The net profits attributable to the Target Company is in the amount of EUR 218,747 (USD 253,747) for the financial year ended 31 March 2021. The Group's net loss is in the amount of USD 725,000 as at 30 June 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 0.028 per share transacted on 26 October 2021, being the market day preceding the date of the Share Purchase Agreement.
- (3) Based on an exchange rate of EUR 1:USD 1.1600 and USD 1: SGD 1.3469, for information only.

As the only limit breached is under Rule 1006 (b) of the Listing Manual, the Proposed Transaction is not subject to the approval of the shareholders of the Company as it falls under the exemption prescribed by Rule 1014 (2) of the Listing Manual.

8. FINANCIAL EFFECTS ARISING FROM 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 2020 ("FY2020") and 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 FY2020; 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 FY2020.

8.1. Net Tangible Assets

	Before the Proposed Transaction	After the Proposed Transaction
NTA of the Group attributable to shareholders of the Company (USD'000)	55,783	55,879
Number of shares ('000)	4,233,185	4,233,185
NTA per share (USD cents)	1.3178	1.3200

8.2. Earnings Per Share

	Before the Proposed Transaction	After the Proposed Transaction
Net profit attributable to shareholders of the Company for FY2020 (USD'000)	2,280	2,376
Weighted average number of shares ('000)	4,233,185	4,233,185
EPS (USD cents)	0.0539	0.0561

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date hereof, none of the directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Transaction, other than through their shareholdings in the Company.

10. SERVICE CONTRACTS

No person is to be appointed to the Board of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DOCUMENT FOR INSPECTION

A copy of the Share Purchase Agreement is 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 3 months from the date hereof.

12. 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 financial, tax or other advisors.

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

Shirley Tan
Company Secretary
29 October 2021