



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 on 26 April 2021 made a binding offer ("**Binding Offer**") for the proposed acquisition of a 100% stake in AUBAC ("**Target Company**"), a company incorporated in France, whose business is in the distribution of refined petroleum products ("**Proposed Transaction**"). The Binding Offer, which provided for conditions precedents, were accepted on 21 May 2021. Upon the fulfilment of the condition precedents of the Binding Offer, the parties signed a share purchase agreement on 20 July 2021 ("**SPA Date**") which had no further conditions precedents. 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 200,000 (equivalent to approximately USD 236,100 based on the exchange rate of EUR 1:USD 1.1805) comprising 100 ordinary shares as at the SPA Date.

The Target Company is a distributor of refined petroleum products, including diesel, gasoline and heating oil. It distributes such products to professionals and private individuals through a fleet of mid-size vehicles and one (1) gas station.

The book value of the Target Company as at 31 May 2021 was approximately EUR 647,000 (equivalent to approximately USD 763,784 based on the exchange rate of EUR 1:USD 1.1805).

3. 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 distribution companies to reinforce Dyneff Group's geographical footprint.

4. CONSIDERATION AND SOURCE OF FUNDS

A provisional consideration in the amount of EUR 1,659,000 (the "**Provisional Consideration**") (equivalent to approximately USD 1,958,450 based on the exchange rate of EUR 1:USD 1.1805) has been agreed for the Proposed Transaction. EUR 1,493,000, which represents 90% of the Provisional Consideration, will be paid to the sellers of Target Company on the SPA Date and the remaining consideration, after adjustments, will be paid to the sellers at a later date, upon confirmation of the audited accounts of the Target Company as at the SPA Date.

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

5. INFORMATION ON THE SELLERS

The sellers are two individual shareholders of the Target Company. The sellers are not related to the Group, and none of the Directors, the Company's substantial shareholders and/or their respective associates are related (direct or indirectly) to the sellers.

6. 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 attributable to the assets acquired, compared with the Group's net profits	-41.50% ^{(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	2.24% ^{(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 48,515 (USD 57,272) as of 31 May 2021. The Group's net loss is approximately USD 138,000 as of 31 March 2021.
- (2) Computed based on the Provisional 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 19 July 2021, being the market day preceding the date of the share purchase agreement in relation to the Proposed Transaction (the "Share Purchase Agreement").
- (3) Based on an exchange rate of EUR 1:USD 1.1805 and USD 1:SGD1.3577, 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.

7. 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.

7.1. 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	55,804
Number of shares ('000)	4,233,185	4,233,185
NTA per share (USD cents)	1.3178	1.3182

7.2. 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	2,301
Weighted average number of shares ('000)	4,233,185	4,233,185
EPS (USD cents)	0.0539	0.0544

8. 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.

9. 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.

10. 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.

11. 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
22 July 2021