



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

PROPOSED ACQUISITION OF A PHOTOVOLTAIC SOLAR PANELS INSTALLATION 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 (the "**Purchaser**"), has entered into a share purchase agreement (the "**Agreement**") dated 31 August 2023 (the "**SPA Date**") with Mr Francois Lavoix (the "**Seller**"), for the proposed acquisition by Dyneff of a 100% stake in France Habitat Enr SAS (the "**Target Company**"), a company incorporated in France, whose business is mainly in the installation of photovoltaic solar panels (the "**Proposed Transaction**"). The completion of the Proposed Transaction would be subject to the fulfilment of the conditions precedent of the 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. The Purchaser and Seller are hereinafter individually referred to as a "**Party**" and collectively as the "**Parties**".

2. INFORMATION ON THE TARGET COMPANY

The Target Company is incorporated in France and has an issued and paid-up capital of EUR 30,000 (equivalent to approximately USD 32,607 based on the exchange rate of EUR 1:USD 1.0869) comprising 1,000 ordinary shares (the "**Sold Shares**") as at the SPA Date.

The Target Company is a specialist in installation of photovoltaic solar panels, heating systems and equipments, mostly to private individual customers. The Target Company also provides repair and maintenance services.

The net tangible asset value of the Target Company as at 31 December 2022 was EUR 443,413 (equivalent to approximately USD 481,946 based on the exchange rate of EUR 1:USD 1.0869).

The book value of the Target Company as at 31 December 2022 was EUR 452,437 (equivalent to approximately USD 491,754 based on the exchange rate of EUR 1:USD 1.0869).

3. INFORMATION ON THE SELLER

The Seller, Mr Francois Lavoix, is the founder and sole shareholder of the Target Company. The Seller has been operating in the photovoltaic solar panels industry in which the Target Company operates in for the past 10 years. The Seller is an independent third party unrelated to any of the directors and controlling shareholders (as defined in the Listing Manual (the "**Listing Manual**")) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), of the Group.

4. 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 renewable energy business such as photovoltaic solar panels and heating systems installation companies to reinforce the Group's heating, ventilation and air-conditioning operations.

5. SALIENT TERMS OF THE PROPOSED TRANSACTION

5.1. Conditions Precedent

The closing for the Proposed Transaction shall be subject, among other things, to the following documents as conditions precedent that the Seller shall deliver to Purchaser:-

- (a) a copy of the employees' information letter regarding the sale of the Sold Shares and the employees' letter of waiver;
- (b) a copy of the authorizations of the banking institutions as to the completion of the sale of the Sold Shares and the change of Chairman concerning the loans;
- (c) a copy of the lessors' authorizations for the completion of the sale of the Sold Shares and the change of Chairman concerning the lease agreements with purchase option and leases;
- (d) a copy of the deed of termination of the Trademark License Agreement without compensation to either Party;
- (e) a copy of the deed of assignment of intellectual property rights on the "France Habitat Enr" used by the Target Company;
- (f) a copy of the DAS2 tax turn subscribed or regularized by the Target Company for the calendar years 2018, 2019, 2020, 2021 and 2022;
- (g) an original copy of the letter of resignation of the Chairman of the Target Company with (i) effect on the day of his replacement and (ii) specifying that the Target Company is not liable to their Chairman for any amount or compensation for any reason whatsoever;
- (h) an original copy of the minutes of the sole shareholder of the Target Company waiving the application of the statutory approval and pre-emption clauses;
- (i) a copy of the amendment to the part-time employment contract of Ms Laura Milas in order to specify the conditions for changing the distribution of working hours in the week as well as the possibility of working overtime;
- (j) three (3) original copies of the transfer orders relating to the sale of the shares of the Target Company duly signed by the Seller for the benefit of the Purchaser and three (3) original copies signed of the CERFA tax forms No. 2759 relating thereto;
- (k) the original copies of the up-to-date share transfer registers and individual shareholders' accounts of the Target Company mentioning (i) the Seller as the owner of all the Sold Shares comprising the share capital of the Target Company, and (ii) that the Sold Shares are free of any security interest;
- (l) the original copies of the updated corporate registers of the Target Company (register of minutes of the decisions of the General Meeting and the Chairman, if applicable);

- (m) an original copy of the First Demand Stand-alone Guarantee;
 - (n) an original copy of the support agreement concluded by the Seller and the Target Company; and
 - (o) a copy of the certificate of the chartered accountant confirming that the shareholder's current accounts of the Seller in the Target Company are equal to zero (0) euros on the date of said certificate.
- 5.2.** On the closing date, the Parties carry out all the operations referred to above, it being specified that these operations form an indivisible whole and that each of them is carried out under the condition of the completion of all the other operations. Consequently, in the event of partial or total default by one the Parties, the other Party may refuse to carry out the operations for which it is responsible without being liable in this respect towards the other Party and without prejudice to its right to obtain compensation for its damage from the defaulting Party.
- 5.3.** Pursuant to the Agreement, the Seller, Purchaser and Target Company have furnished representations and warranties typical for transactions such as the Proposed Transaction.

6. CONSIDERATION AND SOURCE OF FUNDS

A consideration (the "**Consideration**") at a pre-adjusted value of EUR 6,076,006 (equivalent to approximately USD 6,604,011 based on the exchange rate of EUR 1: USD 1.0869) shall be paid by Purchaser for the Proposed Transaction. Based on the terms of the Agreement, Purchaser will pay 80% of the pre-adjusted Consideration to the Seller as at closing date. The difference of Consideration between pre-adjusted value and adjusted value would be paid or refunded once the adjustment accounts as at the Closing Date have been audited and when the Parties have agreed on the final Consideration, after adjusting the book value of the Target Company for cash and financial debt on the basis of the adjustment accounts. According to the terms of the Agreement, the Seller has to provide the adjustment accounts as at the closing date within 60 days from the closing date, Purchaser has 60 days to review the adjustment accounts and will agree or provide a final price calculation with written explanation and supporting for acceptance by Seller.

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 December 2022.

The Consideration will be financed through internal resources of the Purchaser.

7. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual and based on the latest announced unaudited consolidated accounts of the Group for the six months financial period ended 30 June 2023 ("1H 2023") are as set out below:-

Listing Rule	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.	5.69% ⁽¹⁾
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.	11.10% ⁽²⁾
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) Based on the net profits before tax and non-controlling interest of the Group for 1H 2023 amounted to USD 8.657 million and the net profits before tax and non-controlling interest of the Target Company for the financial year ended 31 December 2022 amounted to USD 492,214 (equivalent to EUR 452,860 based on the exchange rate of EUR 1:USD 1.0869).
- (2) The Company's market capitalisation (based on an issued share capital of 4,233,185,850 shares (excluding treasury shares) and the volume weighted average price of the shares on the SGX-ST as at 30 August 2023 (being the one market day preceding the date of the Agreement) of SGD 0.019 per share) is SGD 80.43 million (equivalent to USD 59.48 million based on the exchange rate of USD 1 to SGD 1.3522).

As the relative figures under Rule 1006(b) and Rule 1006(c) above exceed five (5) percent but are not more than 20 percent, the Proposed Transaction constitutes a "disclosable transaction" for the Company as defined in Chapter 10 of the Listing Manual.

8. FINANCIAL EFFECTS OF 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 2022 (“FY2022”) and based 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 FY2022; 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 FY2022.

8.1. Net Tangible Assets (“NTA”)

	Before the Proposed Transaction	After the Proposed Transaction
NTA of the Group attributable to shareholders of the Company (USD'000)	73,518	73,708
Number of shares ('000)	4,233,185	4,233,185
NTA per share (USD cents)	1.737	1.741

8.2. Earnings Per Share (“EPS”)

	Before the Proposed Transaction	After the Proposed Transaction
Net profit attributable to shareholders of the Company (USD'000)	21,125	21,315
Weighted average number of shares ('000)	4,233,185	4,233,185
EPS (USD cents)	0.499	0.504

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Transaction (save through their respective shareholdings in the Company).

10. SERVICE CONTRACTS

No person will be appointed to the Board of Directors of the Company in connection with the Proposed Transaction and no service contracts in relation thereto will be entered into by the Company.

11. DOCUMENT FOR INSPECTION

A copy of the Agreement will be 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 three (3) months from the date of this announcement.

12. RESPONSIBILITY STATEMENT BY THE DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transaction, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

13. 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 legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
Date: 3 September 2023