



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

**RESPONSE TO QUERIES BY
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)**

SGX-ST raised certain queries to AnAn International Limited (“**Company**”, and together with its subsidiaries, collectively “**Group**”) in respect of the Company’s Condensed Interim Consolidated Financial Statements for the Fourth Quarter and Full Year Ended 31 December 2022 released on 24 February 2023. The Board of Directors (“**Board**”) of the Company responds to these queries as follows.

SGX Query 1

Page 6: Purchase of intangible assets, property, plant and equipment: US\$30.606 million

SGX: It is noted that the Company recorded cash outflow from investing activities of US\$30.606 million for purchases of intangible assets, property, plant and equipment for US\$30.606 million in FY2022. Please provide a breakdown of the purchases given its materiality in comparison with the Company’s plant and equipment of US\$62.518 million.

Company’s response to SGX Query 1

A breakdown of the purchases of intangible assets, property, plant and equipment is as follows:

	US\$’000
Additions of property, plant and equipment	28,947
Additions of right-of-use assets	229
Additions of intangible assets	1,430
Total	30,606

The additions of property, plant and equipment are mainly due to new petrol and gas stations acquired during FY2022 to extend Dyneff Group’s geographical coverage of oil products distribution.

SGX Query 2

Page 12: Indicative timelines for FY2021 and FY2022 audit

SGX: It is noted that the Company's auditor has completed audit of FY2018, FY2019 and FY2020 financial statements. Please provide an update on the indicative timelines for the audit and release of the Company's FY2021 and FY2022 financial statements.

Company's response to SGX Query 2

An update on the indicative timelines for the audit and release of the Company's FY2021 and FY2022 financial statements is as follow:

No.	Events	Indicative Timelines
	<u>FY2021:</u>	
1	FY2021 audit completion and issuance of signed auditor's report.	By/on 16 May 2023
2	Release of FY2021 annual report.	By/on 15 June 2023
3	FY2021 annual general meeting and re-appointment of auditors for FY2022 audit.	By/on 30 June 2023
	<u>FY2022:</u>	
4	FY2022 audit completion and issuance of signed auditor's report.	By/on 15 September 2023
5	Release of FY2022 annual report.	By/on 16 October 2023
6	FY2022 annual general meeting and re-appointment of auditors for FY2023 audit.	By/on 31 October 2023

SGX Query 3

Page 3 & 13: Other operating expenses: US\$6.378 million

SGX: The Company disclosed that “the decrease of US\$3.70 million in other operating expenses in FY2022 was mainly due to lesser accruals of trading loss of US\$4.29 million, partially net off by the increase of provision for bad and doubtful debts of US\$0.63 million in FY2022.” Please quantify the value of the trading transactions / portfolio and explain the nature of these significant accruals of trading losses. Please also disclose the value of the realized trading losses for the quarter ended 31 December 2022 (“4Q2022”), FY2022, 4Q2021 and FY2021.

Company’s response to SGX Query 3

The breakdown of the other operating expenses is as follows:

	4Q2022	4Q2021	Increase/ (decrease)	FY2022	FY2021	Increase /(decrease)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Storage & related expenses	85	92	(7)	345	379	(34)
Allowance/(Reversal of allowance) of trade debts	506	97	409	764	(218)	982
Bad debts written-off	69	45	24	188	539	(351)
Other accruals	3,868	8,836	(4,968)	5,081	9,375	(4,294)
Total	4,528	9,070	(4,542)	6,378	10,075	(3,697)

Other accruals in 4Q2022 and FY2022 were mainly consist of an accrual for estimated futures trading loss amounted to US\$4.6 million as a result of a tendered contract customer in France refused to fulfill the tender contract via non-payment for the first few gas deliveries by Dyneff Group. Other accruals in 4Q2021 and FY2021 were mainly pertain to accrual for energy saving certificates of which required by relevant registration. The value of realised trading losses was the bad debts written-off of US\$69,000 related to this customer for both 4Q2022 and FY2022. No realised trading losses related to this customer in both 4Q2021 and FY2021 as it only incurred during FY2022.

BY ORDER OF THE BOARD

Zang Jian Jun
Executive Director and Executive Chairman
6 March 2023