



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

**ACQUISITION BY DYNEFF SAS OF 100% OF THE ISSUED AND PAID UP ORDINARY SHARES
IN SAS ORCEYRE**

1. INTRODUCTION

The Board of Directors of Anan International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Dyneff SAS (“**Dyneff**”), has entered into a conditional sale and purchase agreement (“**SPA**”) on 2 July 2020, for the proposed acquisition of an aggregate of 2833 ordinary shares in the capital of SAS Orceyre (“**Target Company**”), comprising 100% of the total number of issued shares in the capital of the Target Company, on the terms of, and subject to the conditions of the conditional SPA (the “**Proposed Acquisition**”). Rompetrol France SAS (together with its subsidiaries, the “**Rompetrol 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 28,330 (equivalent to approximately USD 31,900 based on the exchange rate of EUR 1:USD 1.126) comprising 2833 ordinary shares as at the date of the SPA.

The Target Company is a distributor of refined petroleum products to professionals and private individuals. This includes diesel, gasoline, heating oil. The distribution is made through a small fleet of mid-size vehicles (from 7 to 15 tons) and 3 petrol stations. The total annual deliveries of the Target Company are around 22 000 cubic meters of oil products.

The net tangible asset value of the Target Company as at 31 December 2019 is estimated at around EUR 2,165,948 (equivalent to approximately USD 2,438,857 based on the exchange rate of EUR 1:USD 1.126).

The equity book value of the Target Company as at 31 December 2019 was EUR 2,165,948 (equivalent to approximately USD 2,438,857 based on the exchange rate of EUR 1:USD 1.126).

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition was made as part of the 5 years strategic plan implemented by the Rompetrol Group. This strategic plan includes investments in two major types of operations: (1) new petrol stations on French motorways, and (2) acquisition of companies or assets specialised in the distribution of refined oil products. The objective is to extend the Rompetrol Group’s geographical coverage of oil products distribution, and the Proposed Acquisition was made in furtherance of such objectives.

4. SALIENT TERMS OF THE SPA

4.1. Conditions Precedent

The closing for the Proposed Acquisition shall be subject to the following conditions precedent:-

- (a) the approval of its shareholders in respect of the Proposed Acquisition; or
- (b) a waiver by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) from the requirement to obtain shareholders’ approval in respect of the Proposed Acquisition pursuant to Listing Rule 1014 of the SGX-ST’s Listing Manual.

5. CONSIDERATION AND SOURCE OF FUNDS

A consideration in the amount of EUR 3,987,779 (the “**Consideration**”) (equivalent to approximately USD 4,490,239 based on the exchange rate of EUR 1:USD 1.126) shall be paid by Dyneff for the Proposed Acquisition. A deposit in the amount of EUR 400,000 (the “**Deposit**”) (equivalent to approximately USD 450,400 based on the exchange rate of EUR 1:USD 1.126) has been paid by Dyneff on 30 June 2020, which will be offset against the final payment to be made to the seller after adjustments on the basis of adjustment accounts. Should the conditions precedent for the Proposed Acquisition not be satisfied on or before 31 October 2020, the Deposit shall be forfeited by seller.

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

6. INFORMATION ON THE SELLER

The seller is 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 seller.

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

The relative figures computed on the applicable bases under Rule 1006 of the SGX-ST’s 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	91.2% ⁽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	2.3% ⁽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 EUR273,755 (USD308,248) as at 1 July 2020 (being the working day immediately before the date of the Share Purchase Agreement). The Group's net profit is in the amount of USD338,000 as at 31 March 2020.
- (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 SGD0.065 per share transacted on 1 July 2020, being the market day preceding the date of the Share Purchase Agreement.
- (3) Based on an exchange rate of EUR1:USD1.126 and USD1: SGD 1.394, for information only.

As the relative figure under Rule 1006 (b) of the Listing Manual exceeds 20%, the Proposed Acquisition constitutes a "major transaction" for the purposes of Chapter 10 of the Listing Manual. Accordingly, the Proposed Acquisition is subject to the approval of the shareholders of the Company.

8. FINANCIAL EFFECTS ARISING FROM THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition 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 Acquisition.

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 2019 ("FY2019") 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 Acquisition had been effected at the end of FY2019; and
- (b) the effect on the earnings per share of the Group is based on the assumption that the Proposed Acquisition had been effected at the beginning of FY2019.

8.1. Net Tangible Assets

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group attributable to shareholders of the Company (USD'000)	57,433	57,845
Number of shares ('000)	4,233,185	4,233,185
NTA per share (USD cents)	1.3567	1.3665

8.2. Earnings Per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to shareholders of the Company for FY2019 (USD'000)	(2,697)	(2,285)
Weighted average number of shares ('000)	4,233,185	4,233,185
EPS (USD cents)	(0.0637)	(0.0540)

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 Acquisition, 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 Acquisition. 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 SPA is available for inspection during normal business hours at the Company's registered address at 1 Raffles Place, #41-01, One Raffles Place Tower 1, Singapore 048616, 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
3 July 2020