



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

ACQUISITION OF A TRANSPORT SERVICES COMPANY

1. INTRODUCTION

The Board of Directors of AnAn International Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 27 July 2021 and entitled “Call Option in relation to the Acquisition of a Trucking Services Company” (“**27 July 2021 Announcement**”), concerning a call option (Promesse d’Acquisition de Parts Sociales Sous Condition Suspensive Unique) (“**Call Option**”) granted in favour of Dyneff SAS (“**Dyneff**”), a subsidiary of the Company, on 23 July 2021 (“**Call Option Date**”) to acquire a 100% stake in TP Distribution Transport Sarl (“**Target Company**”) on the terms and subject to the conditions contained in the Call Option (“**Proposed Transaction**”).

Rompetro 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 29,000 (equivalent to approximately USD 34,191 based on the exchange rate of EUR 1: USD 1.1790) comprising 500 ordinary shares as at the Call Option Date.

The Target Company is a transport company which provides rental services for trucks which are used for distributing oil products to external companies.

The book value of the Target Company as at 31 December 2020 was approximately EUR 107,017 (equivalent to approximately USD 126,173 based on the exchange rate of EUR 1:USD 1.1790).

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. SALIENT TERMS OF THE CALL OPTION

The Call Option was granted by the seller to Dyneff for the Proposed Acquisition, the exercise by Dyneff of which is subject to satisfaction of the following conditions precedent (“**Conditions Precedent**”):-

- (a) the approval of its shareholders in respect of the Proposed Transaction pursuant to the rules of the SGX-ST Listing Manual (“**Listing Manual**”); OR

- (b) an express or implied waiver by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) from the requirement to obtain shareholders’ approval in respect of the Proposed Transaction pursuant to the rules of the Listing Manual.

The Call Option expires on 15 November 2021.

If the Conditions Precedents are not satisfied on or before 31 October 2021, Dyneff shall pay to the seller an amount equal to EUR 60,000 (equivalent to approximately USD 70,740 based on the exchange rate of EUR 1:USD 1.1790 as compensation for exclusivity granted by the seller to Dyneff during the term of the Call Option.

5. CONSIDERATION AND SOURCE OF FUNDS

A consideration in the amount of EUR 60,000 (“**Consideration**”) (equivalent to approximately USD 70,740 based on the exchange rate of EUR 1:USD 1.1790) has been agreed for the Proposed Transaction.

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 the particular industry and market in France. The Consideration is fixed, and it is primarily based on the assets held by the Target Company, which are mainly trucks.

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

6. INFORMATION ON THE SELLERS

The sole seller of the Target Company, Ms Sarah Medde, who is an individual shareholder, is 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 seller.

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 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	30.01% ⁽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	0.08% ⁽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 loss attributable to the Target Company is in the amount of EUR 35,153 (USD41,445) as of 31 December 2020. The Group’s net loss is approximately USD 138,000 as of 31 March 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 0.030 per share transacted on 22 July 2021, being the market day preceding the date of the Call Option in relation to the Proposed Transaction.
- (3) Based on an exchange rate of EUR 1:USD 1.1790 and USD 1: SGD1.3562, for information only.

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

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	55,762
Number of shares ('000)	4,233,185	4,233,185
NTA per share (USD cents)	1.3178	1.3173

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	2,259
Weighted average number of shares ('000)	4,233,185	4,233,185
EPS (USD cents)	0.0539	0.0534

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 Call Option 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
17 August 2021