



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**”) in respect of the acquisition by Dyneff of a 100% stake in ETABLISSEMENT AUBAC, a refined petroleum products distribution company, which was announced on 22 July 2021 (“**22 July 2021 Announcement**”).

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the 22 July 2021 Announcement.

The Board of Directors (“**Board**”) of the Company responds to these queries as follows:

SGX Query 1

Pursuant to Listing Rule 1010(3), *inter alia*, state the factors taken into account in arriving at the aggregate value of the consideration.

Company’s response to SGX Query 1

The provisional consideration was derived on the basis of the Target Company’s interim financial accounts for the eight months ended 31 May 2021, and calculated using EBITDA multiples and discounted future cash flows to arrive at the enterprise value of the Target Company adjusted for cash, debt (financial and non-operational) and working capital. Such provisional consideration would be finally adjusted to give the final consideration amount, and such adjustment would occur sometime around the end September 2021 using the audited accounts of the Target Company as the adjustment accounts.

SGX Query 2

At section 6, it is stated: “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.” Please explain in detail which portions of Listing Rule 1014(2) and/or Practice Note 10.1 apply to the Proposed Transaction, such that shareholders’ approval is not required for the Proposed Transaction.

Company's response to SGX Query 2

Rule 1014(2) of the Listing Manual provides, *inter alia*, that while a major transaction must be made conditional upon approval by shareholders in general meeting, the rule does not apply in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b) of the Listing Manual.

Paragraph 4.4(b) of Practice Note 10.1 provides that an announcement must be made by an issuer if the transaction relates to the acquisition of a profitable asset by a loss-making issuer, where: (i) the absolute relative figure computed on the basis of each of Rule 1006(c) and Rule 1006(d) does not exceed 20%; and (ii) the net profit attributable to the asset to be acquired exceeds 5% of the consolidated net loss of the issuer (taking into account only the absolute value).

**For and on Behalf of the Board of
AnAn International Limited**

Shirley Tan
Company Secretary
27 July 2021