

ANNAIK LIMITED

(Company Registration: 197702066M)
(Incorporated in the Republic of Singapore)

ESTABLISHMENT OF SUBSIDIARY IN CHINA

- **CHANGXING ANNYI WASTEWATER TREATMENT CO., LTD.* (长兴安益水质净化有限公司)**

Pursuant to the previous announcement made on 4 May 2016, the Board of Directors of AnnAik Limited (the “**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that its 60% owned subsidiary, ChangXing AnnYi Wastewater Treatment Co., Ltd.* (长兴安益水质净化有限公司, the “**AnnYi**”) has been established on 26 April 2016 in ChangXing, China. The setting up of AnnYi is to undertake the increased daily treatment of wastewater capacity of 25,000 MT under the built-operate transfer (“**BOT**”) project entered into by its immediate holding company; Changxing Lijiexiang New Era Wastewater Treatment Co., Ltd (“**Lijiexiang New Era**”) with the municipal government of Lijiexiang. The existing daily treatment of wastewater capacity of 30,000 MT will remain at Lijiexiang New Era with a guarantee provided by the Lijiexiang government to both companies according to the agreement.

About AnnYi

AnnYi is a 100% owned subsidiary of Lijiexiang New Era and the latter is 60% owned by Angwei Environmental Ecological & Engineering (Shanghai) Ltd. AnnYi has been incorporated with a registered capital of RMB 10 million.

Financial Impact

The incorporation of AnnYi will be funded through internal resources, and is not expected to have any material impact on the consolidated net tangible assets or net earnings per share of the Company and the Group for the current financial year ending 31 December 2016, although it is expected to contribute to the consolidated net tangible assets or net earnings per share of the Company and the Group for the financial year ending 31 December 2017.

Directors’ and Substantial Shareholders’ Interest

None of the directors, and as far as the Company is aware, none of the substantial shareholders of the Company has any interest, direct or indirect, in the transactions described in this announcement, other than their shareholdings (if any) in the Company.

The Company will make the necessary announcements when there are further developments in relation to AnnYi. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Ng Kim Keang

Director

10 May 2015

* *These are transliteration of the Chinese names of the entities. They may not be the legal names of the entities.*

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the sponsor is Mr. Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone (65) 64159886.