

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2016

	Note	Group		
		6 Months Ended		
		30-Jun-16	30-Jun-15	Change
		S\$'000	S\$'000	%
Revenue		22,964	25,399	(9.59%)
Cost of sales		(19,011)	(20,104)	(5.44%)
Gross profit		3,953	5,295	(25.34%)
Other operating income		470	547	(14.08%)
Distribution expenses		(760)	(961)	(20.92%)
Administrative expenses		(4,022)	(5,095)	(21.06%)
Other operating expenses		(3,837)	(57)	NM
Share of result of an associate		125	63	98.41%
Share of result of joint ventures		567	-	NM
Finance costs		(513)	(602)	(14.78%)
Loss before income tax		(4,017)	(810)	395.93%
Income tax expense		(163)	(130)	25.38%
Loss for the period	(i)	(4,180)	(940)	344.68%
Attributable to:				
Owners of the Company		(4,287)	(937)	357.52%
Non-controlling interests		107	(3)	NM
		(4,180)	(940)	344.68%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	Group		
	6 Months Ended		
	30-Jun-16	30-Jun-15	Change
	S\$'000	S\$'000	%
Loss for the period	(4,180)	(940)	344.68%
Other comprehensive income, after tax:			
Exchange differences on translation of foreign operations	(1,107)	532	NM
Other comprehensive income for the period, net of tax	(1,107)	532	NM
Total comprehensive income for the period	(5,287)	(408)	1,195.83%
Total comprehensive income attributable to:			
Owners of the Company	(5,099)	(539)	846.01%
Non-controlling interests	(188)	131	NM
	(5,287)	(408)	1,195.83%

NM: Not meaningful

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016 (cont'd)

Note

(i) Loss for the period is arrived at after charging/(crediting) the following:

	Group		
	30-Jun-16	30-Jun-15	Change
	S\$'000	S\$'000	%
(Reversal of allowance)/Allowance for doubtful debts	(52)	21	NM
Amortisation of prepaid land rental	4	4	-
Amortisation of intangible assets	394	263	50%
Amortisation of government grant	(37)	(40)	(8%)
Depreciation of property, plant and equipment	768	729	5%
Finance costs	513	602	(15%)
Foreign currency exchange adjustment loss/(gain) - net	175	(28)	NM
Gain on disposal of available-for-sale financial assets	-	(29)	NM
Government subsidy	(146)	(199)	(27%)
Impairment of available-for-sale financial assets	3,467	-	NM
Interest income	(56)	(154)	(64%)
(Gain)/Loss on disposal of property, plant and equipment	(7)	42	NM
Share-based payment expenses	-	180	NM
Fair value loss on derivative of financial assets(unrealised)	2	36	(94%)

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Group		Company	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets:				
Cash and bank balances	5,723	5,966	337	2,032
Trade receivables	11,427	13,051	-	-
Other receivables	9,149	3,811	12,203	6,569
Prepayments	155	235	47	2
Amount due from subsidiaries and an associate	436	518	7,678	7,029
Inventories	22,234	27,423	-	-
Financial derivative assets	3	5	-	-
Total current assets	49,127	51,009	20,265	15,632
Non-current assets:				
Property, plant and equipment	29,462	30,481	-	-
Prepaid land rental	293	320	-	-
Goodwill	497	497	-	-
Intangible assets	16,894	16,811	3,223	3,393
Investment in subsidiaries	-	-	25,666	25,666
Investment in an associate	3,168	3,026	-	-
Investment in joint ventures	2,301	1,733	-	-
Available-for-sale financial assets	-	3,467	-	3,467
Club membership	190	190	190	190
Other receivables	-	6,973	-	6,973
Refundable deposits	870	935	-	-
Amount due from subsidiaries and an associate	-	-	7,748	8,116
Financial derivative assets	81	81	-	-
Total non-current assets	53,756	64,514	36,827	47,805
Total assets	102,883	115,523	57,092	63,437
LIABILITIES AND EQUITY				
Current Liabilities:				
Bank overdrafts	177	196	-	-
Bank loans	8,845	10,217	3,000	3,500
Finance leases	151	223	-	-
Bills payables	6,296	8,483	-	-
Trade payables	3,174	2,992	-	-
Other payables and accruals	3,129	4,655	1,343	1,454
Provision for income tax	189	408	-	-
Amount due to an associate and a joint venture	791	850	-	-
Financial derivative liabilities	2	-	-	-
Total current liabilities	22,754	28,024	4,343	4,954
Non-current liabilities				
Bank loans	16,585	18,215	-	1,500
Finance leases	80	135	-	-
Other payables and accruals	1,904	2,101	1,903	2,101
Government grants	1,919	2,100	-	-
Deferred tax liabilities	372	392	-	-
Total non-current liabilities	20,860	22,943	1,903	3,601
Capital, reserves and non-controlling interests				
Share capital	36,131	36,131	36,131	36,131
Reserves	17,897	22,996	14,715	18,751
Equity attributable to owners of the Company	54,028	59,127	50,846	54,882
Non-controlling interests	5,241	5,429	-	-
Total equity	59,269	64,556	50,846	54,882
Total liabilities and equity	102,883	115,523	57,092	63,437

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group	
	As At	
	30-Jun-16	31-Dec-15
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand:-		
Secured	12,469	15,619
Unsecured	3,000	3,500
Sub-Total	15,469	19,119
Amount repayable after one year		
Secured	16,665	16,850
Unsecured	-	1,500
Sub-Total	16,665	18,350
Total borrowings and debt securities	32,134	37,469

Details of any collateral

At 30 June 2016 and 31 December 2015, the Group's secured borrowings consist of bank overdrafts, bank loans, finance leases and bills payable.

At 30 June 2016, bank loans of S\$10.45 million (31 December 2015: S\$10.36 million) was secured by a charge over a property of a subsidiary. In addition, bank loans of S\$6.52 million (31 December 2015: S\$7.26 million) was secured by a charge over three pieces of vacant land, a property and machineries and equipments of a subsidiary.

At 30 June 2016 and 31 December 2015, bank overdrafts, bills payable and remaining bank loans were secured by corporate guarantee of the Company. The finance leases were secured by the leased assets.

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

- 1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

	Note	Group	
		6 Months Ended	
		30-Jun-16	30-Jun-15
		S\$'000	S\$'000
Cash flows from operating activities:			
Loss before income tax:		(4,017)	(810)
Adjustments for:			
(Reversal of allowance)/Allowance for doubtful debts		(52)	21
Amortisation of prepaid land rental		4	4
Amortisation of intangible assets		394	263
Amortisation of government grant		(37)	(40)
Depreciation of property, plant and equipment		768	729
Finance costs		513	602
(Gain)/Loss on disposal of property, plant and equipment		(7)	42
Gain on disposal of available-for-sale financial assets		-	(29)
Interest income		(56)	(154)
Impairment of available-for-sale financial assets		3,467	-
Fair value loss on derivative of financial assets(unrealised)		2	36
Unrealised foreign exchange (loss)/gain		(103)	52
Share of result of an associate		(125)	(63)
Share of result of joint ventures		(567)	-
Share-based payment expenses		-	180
Operating cash flow before working capital changes		184	833
Trade receivables		1,676	995
Other receivables		1,780	(1,093)
Inventories		5,189	152
Trade payables		182	89
Other payables		(1,723)	(916)
Repayment of bills payables, net		(2,187)	(6,071)
Cash flows generated from/(used in) operations		5,101	(6,011)
Interest paid		(513)	(602)
Interest income received		56	154
Income taxes paid		(402)	(237)
Net cash flows generated from/(used in) in operating activities		4,242	(6,696)
Cash flows from investing activities:			
Proceeds from disposal of available-for-sale financial assets		-	1,505
Proceeds from disposal of property plant & equipment		7	-
Purchases of intangible assets		(1,416)	(596)
Purchases of property, plant and equipment		(400)	(522)
Increase in amount due from an associate		82	39
Net cash flows (used in)/generated from investing activities		(1,727)	426

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016 (cont'd)

	Note	Group	
		6 Months Ended	
		30-Jun-16	30-Jun-15
		S\$'000	S\$'000
Cash flows from financing activities:			
Proceeds from bank loans		1,202	8,285
Repayment of bank loans		(3,668)	(2,816)
Contributions from non-controlling interests		-	427
Repayment of obligations under finance leases		(117)	(180)
Dividends paid		-	(498)
Decrease in amount due to joint ventures		(59)	-
Dividends paid to non-controlling interests		-	(35)
Net cash flows (used in)/generated from financing activities		(2,642)	5,183
Net decrease in cash and cash equivalents		(127)	(1,087)
Cash and cash equivalents at the beginning of the period		5,770	6,970
Effect of exchange rate changes on the balance of cash held in foreign currencies		(97)	49
Cash and cash equivalents at the end of the period	(1)	5,546	5,932

(1) Cash and cash equivalents at the end of period includes the following:

	30-Jun-16	30-Jun-15
	S\$'000	S\$'000
Cash and bank balances	5,723	6,107
Bank overdrafts	(177)	(175)
	5,546	5,932

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	Share Capital	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance as at 1 January 2015	36,131	608	44	1,216	26,537	64,536	5,169	69,705
Dividend paid	-	-	-	-	(498)	(498)	-	(498)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(35)	(35)
Expiry of share options	-	-	-	(22)	22	-	-	-
Grant of equity-settled share options to employees	-	-	-	180	-	180	-	180
Acquisition of non-controlling interest in a subsidiary without a change in control	-	-	-	-	-	-	427	427
Total comprehensive income for the period	-	398	-	-	(937)	(539)	131	(408)
Balance as at 30 June 2015	36,131	1,006	44	1,374	25,124	63,679	5,692	69,371
Balance as at 1 January 2016	36,131	1,142	44	1,485	20,325	59,127	5,429	64,556
Total comprehensive income for the period	-	(812)	-	-	(4,287)	(5,099)	(188)	(5,287)
Balance as at 30 June 2016	36,131	330	44	1,485	16,038	54,028	5,241	59,269

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016 (cont'd)

	Share Capital	Share Options Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
Balance as at 1 January 2015	36,131	1,216	20,237	57,584
Dividend paid	-	-	(498)	(498)
Expiry of share options	-	(22)	22	-
Grant of equity-settled share options to employees	-	180	-	180
Total comprehensive income for the period	-	-	(128)	(128)
Balance as at 30 June 2015	36,131	1,374	19,633	57,138
Balance as at 1 January 2016	36,131	1,485	17,266	54,882
Total comprehensive income for the period	-	-	(4,036)	(4,036)
Balance as at 30 June 2016	36,131	1,485	13,230	50,846

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

- 1 (d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

	Number of Shares	Share Capital
	'000	S\$'000
Balance as at 1 January 2016 248,973,000 ordinary shares	248,973	36,131
Balance as at 30 June 2016	248,973	36,131

Company did not any treasury shares as at 30 June 2016 and 30 June 2015.

The number of shares that may be issued on conversion of all share options outstanding as at 30 June 2016 was 19,804,000 (as at 30 June 2015: 20,452,000).

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to item 1(d)(ii) above.

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

- 3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have adopted the same accounting policies and methods of computation for the current financial period since those applied in the financial year ended 31 December 2015 except for the adoption of new and revised accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(LOSS) / EARNING PER ORDINARY SHARE

	Group		
	6 Months Ended		
	30-Jun-16	30-Jun-15	Change %
(Loss)/Earnings per ordinary share ((L)/EPS) for the financial period based on net (loss)/profit attributable to the equity holders of the Company			
(i) Based on weighted average number of ordinary shares (in cents)	(1.72)	(0.38)	NM
- Weighted average number of shares	248,973,000	248,973,000	NM
(ii) On a fully diluted basis (in cents)	(1.72)	(0.38)	NM
- Adjusted weighted average number of shares	248,973,000	251,301,680	NM

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year

	Group			Company		
	As At		Change	As At		Change
	30-Jun-16	31-Dec-15		30-Jun-16	31-Dec-15	
	Cents	Cents	%	Cents	Cents	%
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial period	21.70	23.75	(8.63%)	20.42	22.04	(7.35%)

The net asset value per ordinary share is based on 248,973,000 (2015: 248,973,000) shares at the end of each period.

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group loss attributable to owners of the company for period ended 30 June 2016 was S\$4.29 million as compared to a loss of S\$0.94 million recorded in prior period. The loss was mainly due to a write down of S\$3.47 million due to long term available-for-sale financial assets for its China's Dalian Sicheng project investment. The write down is recorded following and reflecting major shareholders' impairment of the project concerned. Excluding this impairment of S\$3.47 million, the actual operating loss was S\$0.82 million due principally to a sharp downward correction in market condition which negatively affected the demand and selling price of steel piping products in both distribution and manufacturing divisions.

The Group revenue for the half year ended 30 June 2016 decreased 9.59% from S\$25.40 million to S\$22.96 million. The decrease in group revenue of S\$2.44 million was mainly due to lower sales contributed by distribution of stainless steel and carbon steel piping products impacted by weak market sentiment. In addition, lesser project sales and in trading of coils and sheets business especially for the sale to Russia market due to the extension of the sanction also resulted lower Group revenue. However, the decrease was partially offset by higher revenue from new project secured and progressively delivered from environmental business.

Gross profit dipped by S\$1.34 million or 25.34% for the half year ended 30 June 2016. The drop was mainly attributable to lower revenue coupled with decreased gross profit margin from its distribution and manufacturing divisions.

The Group distribution expenses decreased by S\$0.20 million or 20.92% as compared to the prior period was in tandem with lower revenue generated. Administrative expenses decreased by \$1.07 million or 21.06% due mainly to cost cutting scheme was in place. Finance costs decreased from S\$0.60 million to S\$0.51 million due to lower outstanding balances for interest bearing borrowings. Higher other operating expenses were incurred in the period ended 30 June 2016 as compared to the corresponding period due principally to further impairment of available-for-sale financial assets of S\$3.47 million made and unfavourable exchange rate movements recorded as exchange loss. Additions of intangible assets and property plant and equipment also resulted in higher amortisation of intangible assets and depreciation of property, plant and equipment during the period.

Share of profit of an associate & joint ventures amounting to S\$0.69 million was derived from both industrial and rural wastewater under environmental business was in conjunction with higher revenue and gross profit recorded from new project secured.

Loss for the period after income tax amount to S\$4.18 million as at 30 June 2016 as compare to S\$0.94 million as at 30 June 2015.

Total liabilities of the Group decreased by S\$7.36 million from S\$50.97 million as at 31 December 2015 to S\$43.61 million as at 30 June 2016. The decrease was mainly due to repayment in bills payable of S\$2.19 million, other payables of S\$1.72 million and bank borrowings of S\$3.15 million according to schedule. The Group's net gearing ratio reduced from 0.53 times as at 31 December 2015 to 0.49 times as at 30 June 2016.

Current assets of the Group decreased by S\$1.88 million from \$51.01 million as at 31 December 2015 to S\$49.13 million as at 30 June 2016. The decrease was mainly due to lower inventory balances of S\$5.19 million followed by control measures taken in inventories replenishment, lower cash and bank balances of S\$0.24 million as repayment made and lower trade receivables balance of S\$1.62 million as collection efforts enforced. However the decrease was partially offset by a reclassification of S\$5.00 million proceeds due from buyer for previous disposal of Shinsei and Both-Well Jiangyan from long term other receivable to current other receivable as repayment is expected to be received within the next 12 months. Trade debtors turnover decreased to 95 days as at 30 June 2016 as compared to 110 days as at 31 December 2015.

The Group has a positive working capital of S\$26.38 million with a current assets of S\$49.13 million and a current liabilities S\$22.75 million as at 30 June 2016 as compared to a positive working capital of S\$22.99 million with a current assets of S\$51.01 million and a current liabilities of S\$28.02 million as at 31 December 2015.

Non-current assets of the Group decreased by \$10.75 million from S\$64.51 million as at 31 December 2015 to \$53.76 million as at 30 June 2016. The decrease was mainly due to reclassification of S\$5.00 million long term other receivable to current other receivable in relation to the sales proceed for disposal of Shinsei and Both-Well Jiangyan and further impairment of available-for-sale financial assets of S\$3.47 million made during the period. In addition, the decrease in property, plant and equipment and intangible assets were mainly due to depreciation and amortisation charged which partially offset by additions of property, plant and equipment during the period.

Cash and cash equivalents as at 30 June 2016 decreased slightly by S\$0.38 million to S\$5.55 million due to purchase of intangible assets and property, plant and equipment under investing activities and repayment of bank borrowings under financing activities. However, the decrease was largely offset by positive cash flows generated from operating activities followed by strict control in inventories replenishment and collection efforts in receivables.

Group's net asset per share at 30 June 2016 was 21.70 cents and weighted average EPS for 6 months ended 30 June 2015 was negative 1.72 cents.

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The economic uncertainty caused by the dramatic oil price correction has not abated though it has improved marginally. Many oil supplying nations are still in the midst of recovering from this impact and are withholding major capital expenditures. Upstream and downstream oil dependent industries are still adjusting to this phenomenon and do not see any business turn around in the immediate future. This issue has fundamentally altered the global economic scene and became the precursor for the major industrial contractions. Needless to say, the Group's traditional manufacturing and distribution divisions are affected. They are experiencing massive challenges brought about by supply glut coupled with demand contraction as well as market disruptions caused by technology. Nevertheless, there are still opportunities with new and existing markets and the management will be making in-roads into these areas with wider offering of product ranges.

As nations look inward, self-sufficiency and preservation will become more predominant with energy, food and water securities as key considerations. The change in weather pattern due to global warming has further reinforced this need and has made portable water an important strategic resource that has to be conserved and preserved. In the past few years, the global water industry has grown considerably and quickly. It has become a very important area that offers many business opportunities. The Group has invested increasingly into this sector for a number of years in plant, equipment and talents and has nurtured a team of water professionals. It is now well positioned to seize these new opportunities presented. Moving ahead, it will be devoting more attention into the water industry and expanding accordingly to market requirement.

11 Dividend.

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b)(i) Amount per share in cents.

Not applicable.

(b)(ii) Previous corresponding period in cents.

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

ANNAIK LIMITED

Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2016

- 13 If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders.

- 14 General- Disclosure of the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8.**

None.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

- 16 Negative Confirmation by the Board pursuant to Rule 705(5).**

We, Ow Chin Seng and Ng Kim Keang, being two directors of AnnAik Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for first half of 2016 financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ow Chin Seng
Executive Chairman

Ng Kim Keang
Executive Director

12 August 2016