

ANNAIK LIMITED
(Company Registration No. 197702066M)
(Incorporated in the Republic of Singapore)
(the "**Company**")

PROPOSED CHANGE OF AUDITORS

The Board of Directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**"), wishes to announce the Company's intention to change its auditors ("**Auditors**") from Ernst & Young LLP ("**EY**") to UHY Lee Seng Chan & Co. ("**UHY**") ("**the Proposed Change of Auditors**") for the current financial year ending 31 December 2022, at the annual general meeting to be held on or about 29 April 2022 (the "**AGM**").

The Company has received the notice of nomination from Ow Chin Seng dated 17 March 2022 on the appointment of UHY in place of the retiring Auditors, EY. EY has served as the Auditors of the Company since 27 April 2012.

The change of Auditors is part of good corporate governance initiatives and the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate. Having fully considered the rationale, suitability, independence and benefits of the Proposed Change of Auditors and also having taken into account the Audit Committee's recommendation that UHY will be able to meet the existing needs and audit requirements of the Group, the Board is of the view that it would be in the best interests of the Company to implement a change of Auditors with effect from the financial year ending 31 December 2022.

UHY has given their consent on 4 April 2022 to be appointed as the Auditors of the Company, with effect from and subject to the approval of the shareholders at the following Annual General Meeting ("**AGM**") of the Company. Accordingly, EY will not be seeking re-appointment at the AGM.

In compliance with Catalist Rules 712(3) and 715, the Company confirms that:

- (i) There were no disagreements with EY on accounting treatments within the last twelve (12) months;
- (ii) EY has confirmed by way of a letter dated 1 April 2022 that they are not aware of any professional reasons why UHY, being the successor Auditors, should not accept appointment as Auditors;
- (iii) The Company is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders of the Company;
- (iv) The reason for the Proposed Change of Auditors is to realise cost efficiencies for the Group. Having considered the level of service that UHY have agreed to offer and that the audit fee proposed by them is lower than that proposed by EY for the financial year ending 31 December 2022 for similar level of service, the Directors are of the opinion that the change of auditors to UHY is in the best interest of the Company. Lee Sen Choon, a partner in UHY would be the audit partner; and
- (v) The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the appointment of UHY as its new auditors.

The Board wishes to express their appreciation for the past services rendered by EY.

Further details of the Proposed Change of Auditors will be disclosed in the Appendix dated 13 April 2022, which will be made available on SGXNet.

BY ORDER OF THE BOARD

Ng Kim Keang
Director
12 April 2022

This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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