

ANNAIK LIMITED

(Company Registration: 197702066M)

(Incorporated in the Republic of Singapore)

ESTABLISHMENT OF SUBSIDIARY IN CHINA

- **CHANGXING HENGYI WASTEWATER TREATMENT CO., LTD.* (长兴恒益水质净化有限公司)**

The Board of Directors of AnnAik Limited (the “**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that its 60% owned subsidiary, ChangXing HengYi Wastewater Treatment Co., Ltd.* (长兴恒益水质净化有限公司, the “**HengYi**”) has been established on 19 Sep 2016 in ChangXing, ZheJiang Province, China. The setting up of HengYi is to undertake a built-operate transfer (“**BOT**”) project with daily treatment capacity of 10,000 MT of wastewater. A further announcement will be made after the BOT project sign by HengYi with local government.

About HengYi

HengYi is a 100% owned subsidiary of ChangXing Lijiexiang New Era Wastewater Treatment Co., Ltd and the latter is 60% owned by Angwei Environmental Ecological & Engineering (Shanghai) Ltd. HengYi has been incorporated with a registered capital of RMB 5 million.

Financial Impact

The incorporation of HengYi 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.

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 HengYi. 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

23 September 2016

* *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 Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST. The Sponsor and the SGX-ST assume 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.

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