

ANNAIK LIMITED

(Company Registration No. 197702066M)
(Incorporated in Singapore)

INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF A 51% OWNED SUBSIDIARY-PIONEER ENVIRONMENTAL TECHNOLOGY PTE LTD

The Board of Directors of AnnAik Limited (the “Company”, and together with its subsidiaries, “Group”) wishes to announce that its 51%-owned subsidiary, Pioneer Environmental Technology Pte Ltd (“Pioneer”), incorporated in Singapore, has increased its issued & paid-up share capital from S\$100,000.00 to S\$300,000.00 as part of the Company’s capital risk management policy.

The increase in share capital in Pioneer was made by way of an allotment and issuance of 200,000 new ordinary shares (“New Shares”) at an issue price of S\$1.00 each by Pioneer to existing shareholders.

In connection with the aforesaid increase in issued and paid-up share capital of Pioneer, the equity participation in Pioneer shall be as follows:

<i>Shareholders</i>	<i>Paid up Capital (SGD)</i>	<i>Shareholding Percentage</i>
The Company	153,000	51%
Dr Yang Guo Ying	147,000	49%

Consideration for the Share Capital Injection

The Company injected S\$102,000 for 51% shareholdings in Pioneer through internal resources. The consideration from Dr Yang Guo Ying (“Dr Yang”) amounting to S\$98,000 was financed through borrowings from the Company. Dr Yang will be obliged to pay interest at the rate of 4.0% per annum. Such interest together with borrowings will have to be paid in six (6) months and subject to extension on mutual agreement. The borrowings is secured by Dr Yang’s shareholdings in Changxing Lin Sheng Wastewater Treatment Co., Ltd (长兴林盛水质净化有限公司), ChangXing WuSheng Wastewater Treatment Co., Ltd (长兴吴盛水质净化有限公司) and LinXing Water Supply Co., Ltd (长兴县林城镇林兴自来水有限公司).

Financial Impact

The above transaction is not expected to have any material impact of the consolidated net tangible assets and earnings per share of the Company for the current financial year.

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.

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
12 July 2018

*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 ("**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. The Sponsor and 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.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone: +65 6415-9886.