

ANNAIK LIMITED

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

ESTABLISHMENT OF SUBSIDIARY IN CHINA

- CHANGXING LINYI WASTEWATER TREATMENT CO., LTD.* (长兴林益中水回用有限责任公司)

Pursuant to the previous announcement made on 30 July 2018, the Board of Directors of AnnAik Limited (the “Company”, and together with its subsidiaries, “Group”) wishes to announce that its 70.4% owned subsidiary, ChangXing LinYi Wastewater Treatment Co., Ltd.* (长兴林益中水回用有限责任公司, the “CX LinYi”) has been incorporated on 13 September 2018 in ChangXing, China. The setting up of CX LinYi is to undertake the additional daily treatment of wastewater capacity of 10,000 MT under the built-own operate (“BOO”) project entered into by its immediate holding company; ChangXing LinSheng Wastewater Treatment Co., Ltd* (长兴林盛水质净化有限公司, the “CX LinSheng”) with the municipal government of ChangXing LinCheng (the “LC Government”). The existing daily treatment of wastewater capacity of 10,000 MT will remain at CX LinSheng with a guarantee provided by the LC Government to both companies according to the agreement.

About CX LinYi

Company held an effective interest of 70.4% in CX LinYi through CX LinSheng and latter is 88% owned by a wholly-owned subsidiary, Anxon Eco Holdings Pte Ltd. CX LinYi has been incorporated with a registered capital of RMB 4 million.

The equity participation in CX LinYi shall be as follows:

<i>Shareholders</i>	<i>Registered Capital (RMB)</i>	<i>Shareholding Percentage</i>
ChangXin LinSheng Wastewater Treatment Co., Ltd	3,200,000	80%
Unrelated party	800,000	20%

Financial Impact

The incorporation of CX LinYi 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 2018.

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 CX LinYi. 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

Executive Director

17 September 2018

**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 ("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.

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