

ANNAIK LIMITED

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

INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF A 88%-OWNED SUBSIDIARY— CHANGXIN LINSHENG WASTEWATER TREATMENT CO., LTD

The Board of Directors of AnnAik Limited (the “Company”, and together with its subsidiaries, “Group”) wishes to announce that its 88%-owned subsidiary, ChangXing LinSheng Wastewater Treatment Co., Ltd (“ChangXin LinSheng”) incorporated in the People’s Republic of China, has increased its issued & paid-up share capital from equivalent U\$2.6 million to U\$2.9 million as part of the capital risk management policy and preparation of additional investment in a new wastewater treatment plant in LinCheng Town, the People's Republic of China.

Subsequent to the above increase in share capital, the shareholdings in ChangXin LinSheng remain unchanged at 88%, the equity participation in ChangXin LinSheng shall be as follows:

| <i>Shareholders</i> | <i>Paid up Capital (USD equivalent)</i> | <i>Shareholding Percentage</i> |
|------------------------------|---|--------------------------------|
| The Company | 2,552,000 | 88% |
| Unrelated individual parties | 348,000 | 12% |

Financial Impact

The above investment is funded through internal resources, and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the 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.

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

23 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.