

ANNAIK LIMITED

(Company Registration No. 197702066M)
(Incorporated in the Republic of Singapore)

INCREASE OF SHAREHOLDING IN SUBSIDIARY – WESCO STEEL PTE LTD

Pursuant to the previous announcement made on 07 August 2018, the board of directors of AnnAik Limited (the "**Company**" and together with its subsidiaries, the "Group") wishes to announce that Company has increased the shareholding in Wesco Steel Pte Ltd ("Wesco") from 70% to 100% by acquiring 265,987 ordinary shares (the "Shares") from an unrelated individual party at a consideration of S\$1.00 based on Wesco's net tangible assets of zero as at 07 August 2018 as part of restructuring exercise. Wesco will be placed as a dormant company and its existing carbon steel piping products business will be merged under the Group's fully owned subsidiary; Ann Aik Pte Ltd.

Financial Impact

The consideration will be financed 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. 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

08 August 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.