

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

BEING AWARDED WUJIANG VILLAGE GARBAGE AND RURAL WASTEWATER TREATMENT INFRASTRUCTURE (武江区村镇生活垃圾和污水处理基础设施整区) PUBLIC-PRIVATE PARTNERSHIP (“PPP”) PROJECT IN WUJIANG DISTRICT, SHAOGUAN CITY, GUANGDONG PROVINCE (广东省韶关市武江区), THE PEOPLE'S REPUBLIC OF CHINA

The Board of Directors ("Board" or Directors") of AnnAik Limited (the "Company" together with its subsidiaries & associates, the "Group") wishes to announce that its 25% owned associate, Shanghai Onway Environmental Co., Ltd* (上海昂未环保发展有限公司) together with other strategic investors had been awarded its maiden PPP project in July 2018 by Wujiang District, Housing and Urban Construction Bureau* (武江区住房和城乡建设局) worth approximately RMB 134 million or equivalent to approximately SGD 26.80 million ("Project").

The Project will be undertaken by a joint venture ("JV"); Shaoguan Angrui Environmental Technology Development Co., Ltd* (韶关市昂瑞环保科技发展有限公司) which was set up on 22 June 2018 with registered capital of RMB 26.68 million or equivalent to S\$5.34 million. The respective shareholdings in the JV are as below:-

<i>Shareholders</i>	<i>Shareholding</i>	<i>Nature</i>
Shanghai Onway Environmental Co., Ltd* (上海昂未环保发展有限公司)	55%	Associate of the Company
Guangzhou Ruiqi Environmental Protection Technology Co., Ltd* (广州市瑞奕环保科技有限公司)	20%	Strategic Investor / Non-related company
Guangdong Xifu Environmental Protection Technology Co., Ltd* (广东惜福环保科技有限公司)	4%	Strategic Investor / Non-related company
Guangdong Xinzhen Construction Engineering Co., Ltd* (广东信震建设工程有限公司)	1%	Strategic Investor / Non-related company
Saoguan Wujiang Runheng Municipal & Rural Development Investment Co., Ltd* (韶关市武江区润恒城乡建设投资有限公司)	20%	Local Government Link Enterprise
	100%	

The Project involves provision of garbage removal, cleaning services and solid waste reduction loading stations and rural wastewater treatment facilities and associated piping network in 3 townships. The technology used in the provision of rural wastewater facilities is our own proprietary technology from Shanghai Onway Environmental Co., Ltd* (上海昂未环保发展有限公司). In return, the JV is expected to enjoy a mutually agreed rate of return on the capital invested and will be granted a 30 years concession for operating and maintenance (“O&M”) by Wujiang District, Housing and Urban Construction Bureau* (武江区住房和城乡建设局).

The cost of the Project will be 20% funded by the JV’s internal resources (i.e share capital injection) and the remaining 80% to be funded by JV’s bank borrowings. The JV is currently arranging to take out the aforementioned bank loans from a local China bank. The Group’s involvement in the Project 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.

None of the Directors, substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholding in the Company) in the Project and the Agreement.

The Company will make the necessary announcements when there are further developments on the Project and other matters contemplated by this announcement. 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 August 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.

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.