

**ANNAIK LIMITED**

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

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**ENTRY INTO BUILT-OPERATE-TRANSFER PROJECT IN WASTEWATER TREATMENT PLANT IN THE PEOPLE'S REPUBLIC OF CHINA**

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The Board of Directors ("**Board**" or "**Directors**") of AnnAik Limited (the "**Company**" together with its subsidiaries, the "**Group**") wishes to announce that its subsidiary, ChangXing LiJiaXiang New Era Wastewater Treatment Co., Ltd (the "**ChangXing**") has entered into an extension investment framework agreement (the "**Agreement**") on 20 April 2016 with the municipal government of LiJiaXiang (the "**LJX Government**") pursuant to which ChangXing has been awarded additional service concession rights to construct and operate a wastewater treatment plant (the "**Plant**") in LiJiaXiang Town, the People's Republic of China (the "**Project**").

Pursuant to the Agreement, the total designed daily waste water treatment capacity of the Plant will be increased from the existing 30,000MT capacity to 55,000MT capacity, based on the following schedule, as guaranteed by the LJX Government: in the first 2 years of operation, the Plant shall meet at least 60% of its targeted total capacity and from the third year onwards, the Plant shall meet at least 80% of its targeted total capacity, based on the price of RMB1.50/MT. In the event that ChangXing is unable to meet the targeted capacity at the specified price (as more particularly set out in the Agreement), the LJX Government has provided a guarantee thereon.

The concession rights available to ChangXing under the Agreement shall continue to subsist for a period of 30 years from the commencement of commercial operation of the Plant. The construction of the Plant is expected to be completed by October 2016.

The total investment for the Project is estimated to be up to RMB20 million, subject to relevant final approval for the Project.

The Group's investment in the Project will be funded by internal resources and bank borrowings, 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 2016, although it is expected to contribute to the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2017.

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  
4 May 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Hong Leong Finance (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 and the SGX-ST assumes 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, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581. Telephone (65) 64159886.*