

**ENTRY INTO JOINT VENTURE AGREEMENT**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Annaik Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has entered into a joint venture agreement dated 28 November 2024 (the “**Agreement**”) with Anhui Huaqi Environmental Protection & Technology Co., Ltd. (“**Huaqi**”) and newly-incorporated Anxon Ecotech Pte. Ltd. (the “**JV Company**”) pursuant to which the Company and Huaqi have agreed that the JV Company shall principally carry on the business of providing environmental and related investment business in Singapore and overseas (the “**Joint Venture**”). To-date, operations have yet to commence in the JV Company.

**2. INFORMATION ON THE JOINT VENTURE PARTNER**

*Save as otherwise indicated, the information below relating to Huaqi was based on information provided by Huaqi. In respect of such information, the Company has not independently verified the accuracy or correctness of the same and the Company’s responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.*

Huaqi is a company incorporated in People’s Republic of China, a public limited company listed on the Shenzhen Stock Exchange. Huaqi is principally engaged in the water environment management business in China. It is also involved in water environment engineering design, general engineering contracting, project investment and operation, intelligent environmental protection equipment, and ecological environment materials activities.

Prior to the Joint Venture, Huaqi and its directors and controlling shareholders are not related to the Group, the Company, its directors and controlling shareholders and their respective associates.

**3. SALIENT TERMS OF THE AGREEMENT**

**3.1 Share capital of the JV Company**

Pursuant to the Agreement, the JV Company shall have an issued and paid-up share capital of S\$100 divided into 100 ordinary shares held as follows (“**Shareholding Proportion**”):

Shareholders	Issued and paid-up capital (\$)	Number of Shares Held	Shareholding Percentage (%)
Company	51	51	51.0
Huaqi	49	49	49.0
<b>Total</b>	100	100	100.0

**3.2 Board composition of the JV Company**

The board of directors of the JV Company shall at all times consist of 5 directors. The Company has the right to appoint 3 directors and Huaqi has the right to appoint 2 directors. For avoidance of doubt, the right to appoint and remove such Director so appointed by the respective shareholder shall apply only to the Director appointed by the said shareholder.

### **3.3 Reserved matters**

The Agreement sets out certain customary matters which require the unanimous approval of all shareholders of the JV Company, including, among others, the amendment of the JV Company's constitution, the issue by the JV Company of any shares or securities and the winding up or dissolution of the JV Company.

### **3.4 Financing**

Each shareholder shall use their best efforts to support the funding requirements of the JV Company based on the Shareholding Proportion provided that no shareholder will be required to provide security therefor or any indemnity, covenant, assurance or similar obligation, or provide any loans to the JV Company or any of its subsidiaries.

In the event that any guarantee is required by any third-party financial institutions or other third-party to support the funding or commercial requirements of the JV Company, each shareholder shall provide the same to the financier separately based on the Shareholding Proportion.

## **4. RATIONALE FOR THE JOINT VENTURE**

The Group's entry into the Joint Venture is in line with the Group's strategy to invest in environmental related businesses both locally and overseas, focusing on sustainable water management solutions through designing, constructing and operating of wastewater treatment plants in Singapore and overseas.

## **5. FINANCIAL EFFECTS OF THE JOINT VENTURE**

The subscription of shares in the JV Company by the Company will be funded by the Group's internal resources and the Joint Venture is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2024.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, directly or indirectly, in the JV Company or the Joint Venture, save through their shareholdings in the Company (if any).

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office of the Company at 52 Tuas Avenue 9, Singapore 639193 for three months from the date of this announcement.

By Order of the Board

Ng Kim Keang  
Executive Director

29 November 2024

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*This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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.*

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