

**Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2018**

	Note	Group		
		6 Months Ended		
		30-Jun-18	30-Jun-17	Change
		S\$'000	S\$'000	%
<b>Revenue</b>		<b>30,390</b>	<b>23,090</b>	<b>31.62%</b>
Cost of sales		(24,130)	(18,751)	28.69%
<b>Gross profit</b>		<b>6,260</b>	<b>4,339</b>	<b>44.27%</b>
Other operating income		1,299	480	170.63%
Distribution expenses		(790)	(787)	0.38%
Administrative expenses		(4,783)	(4,142)	15.48%
Other operating expenses		(416)	(374)	11.23%
Share of result of associate and joint venture		1,059	618	71.36%
Finance costs		(590)	(464)	27.16%
<b>Profit / (Loss) before income tax</b>		<b>2,039</b>	<b>(330)</b>	<b>NM</b>
Income tax expense		(224)	(188)	19.15%
<b>Profit / (Loss) for the year</b>	(i)	<b>1,815</b>	<b>(518)</b>	<b>NM</b>
<b>Attributable to:</b>				
Owners of the Company		1,295	(673)	NM
Non-controlling interests		520	155	235.48%
		<b>1,815</b>	<b>(518)</b>	<b>NM</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ENDED 30 JUNE 2018**

	Group		
	6 Months Ended		
	30-Jun-18	30-Jun-17	Change
	S\$'000	S\$'000	%
<b>Profit / (Loss) for the year</b>	<b>1,815</b>	<b>(518)</b>	<b>NM</b>
<b>Other comprehensive Profit / (Loss), after tax:</b>			
Exchange differences on translation of foreign operations	31	(351)	NM
Other comprehensive loss for the year, net of tax	31	(351)	NM
<b>Total comprehensive Profit / (Loss) for the year</b>	<b>1,846</b>	<b>(869)</b>	<b>NM</b>
<b>Total comprehensive Profit / (Loss) attributable to:</b>			
Owners of the Company	1,298	(856)	NM
Non-controlling interests	548	(13)	NM
	<b>1,846</b>	<b>(869)</b>	<b>NM</b>

NM: Not meaningful

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ENDED 30 JUNE 2018 (cont'd)

#### Note

(i) Profit / (Loss) for the period is arrived at after charging/(crediting) the following:

	Group		
	30-Jun-18	30-Jun-17	Change
	S\$'000	S\$'000	%
Allowance / (Reversal) for doubtful debts	13	(1)	NM
Amortisation of prepaid land rental	4	4	0%
Amortisation of intangible assets	604	444	36%
Amortisation of government grant	(37)	(36)	3%
Depreciation of property, plant and equipment	727	715	2%
Bad debts recovery	(47)	-	NM
Finance costs	590	464	27%
Government subsidy	(394)	(147)	168%
Written off Intangible assets	78	-	NM
Interest income	(26)	(20)	30%
Gain on disposal of plant and equipment	(16)	(91)	(82%)
Foreign currency exchange adjustment loss - net	194	179	8%
Fair value loss on derivative of financial assets(unrealised)	(38)	-	NM

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Group		Company	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	5,816	6,189	257	261
Trade receivables	15,817	10,749	-	-
Other receivables	5,022	3,036	15	52
Prepaid land rental	7	7	-	-
Prepayments	201	150	56	18
Amount due from subsidiaries and an associate	-	525	10,151	12,774
Inventories	19,304	20,273	-	-
Assets classified as held for sale	112	255	-	-
<b>Total current assets</b>	<b>46,279</b>	<b>41,184</b>	<b>10,479</b>	<b>13,105</b>
<b>Non-current assets:</b>				
Property, plant and equipment	28,670	28,867	-	-
Prepaid land rental	277	286	-	-
Goodwill	1,427	1,427	-	-
Intangible assets	22,055	21,924	2,545	2,715
Investment in subsidiaries	-	-	20,646	20,646
Investment in an associate	13,397	12,441	-	-
Club membership	190	190	190	190
Refundable deposits	843	899	-	-
Amount due from subsidiaries and an associate	-	-	10,301	9,283
<b>Total non-current assets</b>	<b>66,859</b>	<b>66,034</b>	<b>33,682</b>	<b>32,834</b>
<b>Total assets</b>	<b>113,138</b>	<b>107,218</b>	<b>44,161</b>	<b>45,939</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities:</b>				
Bank overdrafts	-	199	-	-
Bank loans	6,419	6,257	-	-
Government loan	618	616	-	-
Finance leases	49	58	-	-
Bills payables	8,057	7,681	-	-
Trade payables	4,102	2,545	-	-
Other payables and accruals	6,962	4,729	506	1,444
Provision for income tax	394	532	-	-
Amount due to subsidiaries, an associate and joint venture	3,412	3,906	-	131
Financial derivative liabilities	-	1	-	-
<b>Total current liabilities</b>	<b>30,013</b>	<b>26,524</b>	<b>506</b>	<b>1,575</b>
<b>Non-current liabilities</b>				
Bank loans	17,027	15,862	-	-
Government loan	958	947	-	-
Finance leases	96	40	-	-
Government grants	1,805	1,835	-	-
Deferred tax liabilities	418	425	-	-
Financial derivative liabilities	11	48	-	-
<b>Total non-current liabilities</b>	<b>20,315</b>	<b>19,157</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	36,131	36,131	36,131	36,131
Treasury Shares	(296)	(216)	(296)	(216)
Reserves	20,500	19,695	7,820	8,449
Equity attributable to owners of the Company	56,335	55,610	43,655	44,364
Non-controlling interests	6,475	5,927	-	-
<b>Total equity</b>	<b>62,810</b>	<b>61,537</b>	<b>43,655</b>	<b>44,364</b>
<b>Total liabilities and equity</b>	<b>113,138</b>	<b>107,218</b>	<b>44,161</b>	<b>45,939</b>

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

### 1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

	Group	
	As At	
	30-Jun-18	31-Dec-17
	S\$'000	S\$'000
<b>Amount repayable in one year or less, or on demand:-</b>		
Secured	14,525	14,195
Unsecured	-	-
<b>Sub-Total</b>	<b>14,525</b>	<b>14,195</b>
<b>Amount repayable after one year</b>		
Secured	17,123	15,902
Unsecured	-	-
<b>Sub-Total</b>	<b>17,123</b>	<b>15,902</b>
<b>Total borrowings and debt securities</b>	<b>31,648</b>	<b>30,097</b>

#### Details of any collateral

At 30 June 2018 and 31 December 2017, the Group's secured borrowings consist of bank overdrafts, bank loans, finance leases and bills payable.

At 30 June 2018, bank loans of S\$9.38 million (31 December 2017: S\$9.71 million) was secured by a charge over a property of a subsidiary. In addition, bank loans of S\$4.92 million (31 December 2017: S\$5.20 million) was secured by a charge over three pieces of vacant land, a property and machineries and equipments of a subsidiary.

At 30 June 2018 and 31 December 2017, bank overdrafts, bills payable and remaining bank loans were secured by corporate guarantee of the Company. The finance leases were secured by the leased assets.

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

	Note	Group	
		6 Months Ended	
		30-Jun-18	30-Jun-17
		S\$'000	S\$'000
<b>Cash flows from operating activities:</b>			
Profit / (Loss) before income tax:		2,039	(330)
<b>Adjustments for:</b>			
Allowance / (Reversal) for doubtful debts		13	(1)
Amortisation of prepaid land rental		4	4
Amortisation of intangible assets		604	444
Amortisation of government grant		(37)	(36)
Depreciation of property, plant and equipment		727	715
Finance costs		590	464
Gain on disposal of property, plant and equipment		(16)	(91)
Bad debts recovery		(47)	-
Interest income		(26)	(20)
Written off on intangible assets		78	-
Fair value loss on derivative of financial assets (unrealised)		(38)	-
Unrealised foreign exchange loss		194	179
Share of result of associate and joint venture		(1,059)	(618)
<b>Operating cash flow before working capital changes</b>		<b>3,026</b>	<b>710</b>
Trade receivables		(5,034)	(2,803)
Other receivables		(2,031)	(341)
Inventories		969	1,899
Trade payables		1,557	996
Other payables		2,233	(120)
Repayment of bills payables, net		376	302
<b>Cash flows generated from operations</b>		<b>1,096</b>	<b>643</b>
Interest paid		(590)	(464)
Interest income received		26	20
Income taxes paid		(369)	(374)
<b>Net cash flows generated from / (used in) operating activities</b>		<b>163</b>	<b>(175)</b>
<b>Cash flows from investing activities:</b>			
Proceeds on disposal of property, plant and equipment		100	-
Proceeds on disposal of intangible assets		-	125
Proceeds from disposal of available-for-sale financial assets		143	-
Receipt of fixed deposit, pledged		1,000	-
Additions to intangible assets		(745)	(1,178)
Purchase of property, plant and equipment		(376)	(429)
Decrease in amount due from associate		525	15
<b>Net cash flows from / (used in) investing activities</b>		<b>647</b>	<b>(1,467)</b>

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018 (cont'd)

	Note	Group	
		12 Months Ended	
		30-Jun-18	30-Jun-17
		S\$'000	S\$'000
<b>Cash flows from financing activities:</b>			
Repayment for share buy back, net		(80)	(12)
Proceeds from loans and borrowings		4,719	4,893
Repayment of loans and borrowings		(3,557)	(3,793)
Contributions from non-controlling interests		-	168
Proceed / (Repayment) of obligations under finance leases		47	(51)
Dividends paid		(493)	(498)
(Decrease) / Increase in amount due to associate and joint venture		(494)	902
<b>Net cash flows generated from financing activities</b>		<b>142</b>	<b>1,609</b>
Net increase / (decrease) in cash and cash equivalents		952	(33)
Cash and cash equivalents at the beginning of the year		4,990	7,214
Effect of exchange rate changes on the balance of cash held in foreign currencies		(126)	(146)
<b>Cash and cash equivalents at the end of the year</b>	(1)	<b>5,816</b>	<b>7,035</b>

(1) Cash and cash equivalents at the end of year includes the following:

	30-Jun-18	30-Jun-17
	S\$'000	S\$'000
Cash and bank balances	5,816	7,264
Bank overdrafts	-	(229)
	<b>5,816</b>	<b>7,035</b>

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	Share Capital	Treasury shares	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>									
<b>Balance as at 1 January 2017</b>	36,131	-	691	44	1,280	15,962	54,108	5,549	59,657
Dividend paid	-	-	-	-	-	(498)	(498)	-	(498)
Additional contribution by non-controlling interests	-	-	-	-	-	-	-	168	168
Expiry of share options	-	-	-	-	(495)	495	-	-	-
Purchase of treasury shares	-	(12)	-	-	-	-	(12)	-	(12)
Total comprehensive loss for the period	-	-	(183)	-	-	(673)	(856)	(13)	(869)
<b>Balance as at 30 June 2017</b>	36,131	(12)	508	44	785	15,286	52,742	5,704	58,446
<b>Balance as at 1 January 2018</b>	36,131	(216)	286	315	785	18,309	55,610	5,927	61,537
Dividend paid	-	-	-	-	-	(493)	(493)	-	(493)
Expiry of share options	-	-	-	-	(159)	159	-	-	-
Purchase of treasury shares	-	(80)	-	-	-	-	(80)	-	(80)
Total comprehensive income for the year	-	-	3	-	-	1,295	1,298	548	1,846
<b>Balance as at 30 June 2018</b>	36,131	(296)	289	315	626	19,270	56,335	6,475	62,810

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018 (cont'd)

	Share Capital	Treasury shares	Share Options Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Company</b>					
<b>Balance as at 1 January 2017</b>	<b>36,131</b>	-	<b>1,280</b>	<b>9,166</b>	<b>46,577</b>
Dividend paid	-	-	-	(498)	(498)
Expiry of share options	-	-	(495)	495	-
Disposal of non-controlling interest in a subsidiary without a change in control	-	-	-	(51)	(51)
Purchase of treasury shares	-	(12)	-	-	(12)
Total comprehensive loss for the period	-	-	-	(309)	(309)
<b>Balance as at 30 June 2017</b>	<b>36,131</b>	<b>(12)</b>	<b>785</b>	<b>8,803</b>	<b>45,707</b>
<b>Balance as at 1 January 2018</b>	<b>36,131</b>	<b>(216)</b>	<b>785</b>	<b>7,664</b>	<b>44,364</b>
Dividend paid	-	-	-	(493)	(493)
Expiry of share options	-	-	(159)	159	-
Purchase of treasury shares	-	(80)	-	-	(80)
Total comprehensive income for the year	-	-	-	(136)	(136)
<b>Balance as at 30 June 2018</b>	<b>36,131</b>	<b>(296)</b>	<b>626</b>	<b>7,194</b>	<b>43,655</b>



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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

- 1 (d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.
- State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

### SHARE CAPITAL

	Number of Shares	Share Capital
	'000	S\$'000
Balance as at 1 January 2018 247,132,000 ordinary shares	247,132	35,915
Less: Treasury Share	(656)	(80)
Balance as at 30 June 2018 246,476,000 ordinary shares	<b>246,476</b>	<b>35,835</b>

Company has treasury shares of 2,497,000 shares at S\$294,869.91 as at 30 June 2018 (30 June 2017: 178,100 shares at S\$12,139.30). The number of shares that may be issued on conversion of all share options outstanding as at 30 June 2018 was 11,619,000 (as at 30 June 2017: 13,109,000).

Company has nil subsidiary holdings as at 30 June 2018 (30 June 2017: Nil).

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to item 1(d)(ii) above.

- 1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

- 3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and Company have adopted the same accounting policies and methods of computation for the current financial period as those applied in the financial year ended 31 December 2017 except for the adoption of new and revised accounting standards (including its consequential amendments) and interpretations applicable for the period year beginning 1 January 2018.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and Company have adopted the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of the Financial Reporting Standards ("INT FRS") that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2018. The adoption of these new and revised SFRS (I) and INT FRS did not result in material adjustments to the Group's financial statements for the financial period ended 30 June 2018.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

**EARNING / (LOSS) PER ORDINARY SHARE**

	Group		
	6 Months Ended		
	30-Jun-18	30-Jun-17	Change %
Earnings/(Loss) per ordinary share (EPS/(L)) for the financial period based on net profit/(loss) attributable to the equity holders of the Company			
(i) Based on weighted average number of ordinary shares (in cents) - Weighted average number of shares	0.52 246,663,802	(0.27) 248,876,817	NM (0.74%)
(ii) On a fully diluted basis (in cents) - Adjusted weighted average number of shares	0.52 246,663,802	(0.27) 248,876,817	NM (0.74%)

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial period**

	Group			Company		
	As At		Change	As At		Change
	30-Jun-18	31-Dec-17		30-Jun-18	31-Dec-17	
	Cents	Cents	%	Cents	Cents	%
Net asset backing per ordinary share based on the existing issued share capital as at the end of the financial period	22.86	22.50	1.60%	17.71	17.95	(1.34%)

The net asset value per ordinary share is based on 246,476,000 (2017: 247,132,000) shares at the end of each period.

## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group's profit attributable to owners of the company for the period ended 30 June 2018 was S\$1.30 million as compared to a loss of S\$0.67 million recorded in the prior period. The turning around results was mainly due to higher EPC projects deployment in our associate company in rural wastewater treatment business and improved utilisation rate and contribution from newly set up plants in industrial wastewater treatment business, both under environmental business division. In addition, higher turnover and improved GP margin recorded in distribution of steel business division and the successful restructuring of the manufacturing business division also contributed positively to the overall performance in current period.

The Group's revenue for the period ended 30 June 2018 increased 31.62% from S\$ 23.09 million to S\$30.39 million. The increase in group revenue of S\$ 7.30 million was mainly due to higher sales generated from Metal Wang Pte Ltd and its newly set up subsidiary; Handel Co., Ltd and Ann Aik Pte Ltd under distribution of steel business division especially for sales in India, Singapore, Korea and Malaysia market. In addition, the improved utilisation rate followed by tighten environmental control and newly set up plants in China also lead to higher turnover achieved by industrial wastewater treatment business under environmental business division.

Gross profit increased by S\$ 1.92 million or 44.27% for the period ended 30 June 2018. The increase was predominantly attributable to higher turnover and better gross profit margin recorded from all three business divisions; distribution of steel business division and manufacturing business division with improved selling price and better cost management and environmental business division with better utilisation rate coupled with economy of scale from newly set up or acquired plants; ChangXing HengYi Wastewater Treatment Co., Ltd and LinXing Water Supply Co., Ltd. Amortisation of intangible assets increased in tandem with newly set up plants in China under industrial wastewater treatment business.

The Group's distribution expenses and other operating expenses remained stable during the period. The increase in operating administrative expenses were due to higher operating cost incurred for newly set up company, Handel Co., Ltd under distribution of steel business division and both Changxing HengYi Wastewater Treatment Co., Ltd and LinXing Water Supply Co., Ltd under the environmental business division which all contributed positively to the group. The significant increase in other income was mainly attributed to government grant and other projects income of S\$ 0.58 million obtained under the environmental business division in current period. Finance costs increased in tandem with higher outstanding interest bearing borrowings and cost of funding.

The share of profit of an associate and joint venture was S\$ 1.06 million for period ended 30 June 2018 as compared to S\$ 0.62 million in the prior period. The improvement was due mainly to higher EPC projects being delivered with better profit contribution from rural wastewater treatment business under environmental business division.

The total liabilities of the Group increased by S\$ 4.65 million from S\$ 45.68 million as at 31 December 2017 to S\$ 50.33 million as at 30 June 2018. The increase was mainly due to an increase in trade payable of S\$ 1.56 million for higher credit purchase made in trading of steel business and other payable and accruals of S\$ 2.23 million for advance collection in relation to construction of piping network projects in China. Bank borrowings also increased by S\$ 1.55 million for financing daily working capital purpose. The Group's net gearing ratio increased marginally from 0.43 times as at 31 December 2017 to 0.46 times as at 30 June 2018.

The current assets of the Group increased by S\$ 5.10 million from S\$ 41.18 million as at 31 December 2017 to S\$ 46.28 million as at 30 June 2018. The increase was mainly due to higher trade receivable of S\$ 5.07 million as compared to prior period as a result of increased credit sales from trading of steel business and increase in other receivables of S\$ 1.99 million in relation to advance payment made to supplier for the construction of piping network project in China. However the increase in current assets was partially offset by decrease in inventories of S\$ 0.97 million due to better inventory management control measures taken in to replenish stock, and also repayment in amount due from subsidiaries and an associate of S\$ 0.53 million. Debtor turnover increased slightly to 96 days as at 30 June 2018 as compared to 84 days as at 31 December 2017.

The Group continued to maintain a healthy and positive working capital of S\$ 16.27 million or current ratio of 1.54 times with current assets of S\$ 46.28 million and current liabilities of S\$ 30.01 million as at 30 June 2018.

The non-current assets of the Group increased S\$ 0.83 million from S\$ 66.03 million as at 31 December 2017 to S\$ 66.86 million as at 30 June 2018. The increase was mainly attributed to additional profit generated by associate in environmental business division which lead to the increase in investment in associates as compared to prior period.

The cash and cash equivalents increased by S\$ 0.83 million from S\$ 4.99 million as at 31 December 2017 to S\$ 5.82 million as at 30 June 2018.

The increase in cash flow from investing activities was mainly due to release of pledged fixed deposit of S\$1 million by bank and collection of amount due from associate of S\$0.53 million which were partially offset by addition of intangible assets and purchase of property, plant and equipment amounting to approximately S\$1.12 million.

Net cash inflows amounting to S\$0.14 million generated under financing activities was attributed to additional draw down of bank borrowings amounting to S\$ 1.16 million for working capital purposes partially offset by payment of dividend of S\$ 0.49 million and amount due to associate and joint venture of S\$ 0.49 million.

Positive cash flows generated from operating activities in first half of 2018 amounting to S\$ 0.16 million also contributed to the overall improvement of cash position as at 30 June 2018.

Group's net asset per share as at 30 June 2018 was 22.86 cents and weighted average EPS for 6 months ended 30 June 2018 was 0.52 cents

# ANNAIK LIMITED

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

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**9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.**

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

In general, the first half of the year has been a challenging period as market recovered gradually but weighed down because of looming international trade wars which impacted capital investment spending decision. Coupled with big oil price fluctuation, these factors drastically affect the overall local and regional industrial market sentiment. Nevertheless, the Group was able to secure some sizable projects. This market will continue into the year in an uncertain mood, with much strategic realignment and re-allocation of investment and resources. Hence, the Group will continue to stay adaptive and vigilant to market conditions and deploy its resources where it is most rewarding as it extend its presence internationally.

As the Group adopted its new strategy and focus on the environmental business, this segment has shown good progress and meeting the Group's long term investment objectives. It has now a more mature and experience management team to conduct its business. Coupled with a growing demand for environmental solutions especially in China, this business is poised to expand further in the coming years. The Group will seize on this opportunity and continue to invest more prudently and make this sector a major contributor to the bottom line of the Group.

For the distribution and trading business of the Group, it has remained resilient and adapted to market changes and demands accordingly. This core has also seen a change in strategy and continue to stay abreast with market development. From just operating in Singapore, it now has offices in Korea and Cambodia with expanded range of products and services to bring into the Group's contribution. As part of the Group's main business, the Group will render its resources accordingly to this segment to ensure profitability and growth.

**11 Dividend.**

**(a) Whether an interim (final) dividend has been declared (recommended); and**

None

**(b)(i) Amount per share in cents.**

Not applicable.

**(b)(ii) Previous corresponding period in cents.**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared.

# ANNAIK LIMITED

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## Half Year Financial Statement And Dividend Announcement For The Period Ended 30-06-2018

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- 13 If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained from shareholders.

- 14 General- Disclosure of the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8.**

None.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

- 16 Negative Confirmation by the Board pursuant to Rule 705(5).**

We, Benjamin Ow Eei Meng and Ng Kim Keang, being two directors of AnnAik Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for first half of 2018 financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

Benjamin Ow Eei Meng  
Executive Director

Ng Kim Keang  
Executive Director

13 August 2018