

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

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

- UPDATES ON THE RIGHTS CUM WARRANTS ISSUE; AND**
 - RECEIPT OF WHITEWASH WAIVER**
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Unless otherwise defined, all terms and references used herein shall bear the same meanings ascribed to them in the Company's circular dated 11 July 2019 in relation to the Rights cum Warrants Issue (the "Circular").

1. INTRODUCTION

The board (the "**Board**") of directors (the "**Directors**") of AnnAik Limited (the "**Company**") refers to the announcement on 28 December 2018 and the Circular relating to, among others, the Rights cum Warrants Issue.

2. UPDATES ON THE RIGHTS CUM WARRANTS ISSUE

- 2.1 The Company wishes to update shareholders of the Company (the "**Shareholders**") that the general share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 13 April 2018 has expired. Accordingly, the Company will be seeking the approval of the Shareholders for the Rights cum Warrants Issue at the extraordinary general meeting of the Company to be convened (the "**EGM**") on 2 August 2019. The Rights cum Warrants Issue will be made pursuant to the approval of the Shareholders at the EGM, if so approved at the EGM.
- 2.2 The Rights cum Warrants Issue is therefore additionally subject to approval of the Shareholders for the Rights cum Warrants Issue at the EGM.
- 2.3 For further details on the Rights cum Warrants Issue, please also refer to the Notice of EGM and the Circular, in relation to inter alia, seeking Shareholders' approval for the Whitewash Resolution.

3. RECEIPT OF WHITEWASH WAIVER

- 3.1 The Company had on 25 January 2019 made an application to the SIC for a waiver of the Concert Party Group to make a mandatory general offer for all the Shares not owned or controlled by them as a result of the Rights cum Warrants Issue and the Undertaking Shareholders' obligations under the Irrevocable Undertakings.
- 3.2 The SIC granted the Whitewash Waiver, waiving the obligation for the Concert Party Group to make a mandatory offer under Rule 14 of the Code for the Company in the event that they incur an obligation to do so as a result of them (i) subscribing for the Rights Shares

with Warrants pursuant to the Irrevocable Undertakings; (ii) subscribing for 4,940,000 excess Rights Shares with Warrants; and (iii) exercising the Warrants in respect of the Rights Shares with Warrants acquired, subject to, *inter alia*, the following conditions:-

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the proposed Rights cum Warrants Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Concert Party Group;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or are not to acquire any shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the Circular):-
 - (i) during the period between the first announcement of the proposed Rights cum Warrants Issue and the date shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the first announcement of the proposed Rights cum Warrants Issue, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the proposed Rights cum Warrants Issue;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:-
 - (i) details of the proposed Rights cum Warrants Issue, including the Irrevocable Undertakings and the proposed subscription of excess Rights Shares with Warrants by the Concert Party Group;
 - (ii) the dilution effect to existing holders of voting rights upon the issue of the Rights Shares with Warrants and upon exercise of the Warrants;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Group as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by the Concert Party Group upon the issue of the Rights Shares with Warrants and upon exercise of the Warrants as a result of the Irrevocable Undertakings and the proposed subscription of excess Rights Shares with Warrants;
 - (v) specific and prominent reference to the fact that the issue of the Rights Shares with Warrants and the Warrant Shares upon exercise of the

Warrants as a result of the Irrevocable Undertakings and the proposed subscription of excess Rights Shares with Warrants could result in the Concert Party Group carrying over 49.0% of the voting rights of the Company, and that the Concert Party Group will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer; and

- (vi) specific and prominent reference to the fact that the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Concert Party Group at the highest price paid by any of them for Shares in the past six (6) months preceding the commencement of the offer;
 - (vii) specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants;
 - (g) the Circular states that the waiver granted by SIC to the Concert Party Group from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at paragraphs (a) to (f) above;
 - (h) the Company obtains SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
 - (i) to rely on the Whitewash Resolution, approval of the Whitewash Resolution must be obtained within 3 months of 4 June 2019, the acquisition of the Rights Shares with Warrants by the Undertaking Shareholders must be completed within three (3) months of the date of the approval of the Whitewash Resolution, and the acquisition of the Warrant Shares upon exercise of the Warrants must be completed within 5 years of the date of issue of the Warrants; and
 - (j) the Undertaking Shareholders complying or procuring the relevant person(s) to comply with the disclosure requirements set out in Note 2 on Section 2 of Appendix 1 of the Code.
- 3.3 As at the Latest Practicable Date, save for the conditions in paragraphs 3.2(a), 3.2(c), 3.2(d)(i), 3.2(i) and 3.2(j), all the above conditions in paragraph 3.2 imposed by the SIC have been satisfied.
- 3.4 Clarification with the SIC had been sought on 11 March 2019 in relation to, *inter alia*, whether Mr Lau Gee Hong would be presumed to be acting in concert with Mr Ow Chin Seng and Mdm Low Kheng, in relation to any acquisition of shares or instruments convertible into and options in respect of shares in the Company during (i) the period between the first announcement of the proposed Rights cum Warrants Issue and the date shareholders' approval is obtained for the Whitewash Resolution, and (ii) in the six (6) months prior to the first announcement of the proposed Rights cum Warrants Issue.
- 3.5 Mr Lau Gee Hong (i) has not kept in contact with Mr Ow Chin Seng and Mdm Low Kheng, and as such, Mr Ow Chin Seng and Mdm Low Kheng do not have any influence or control over Mr Lau Gee Hong, and (ii) has not purchased or acquired any Shares in the Company, and has not voted at any general meeting of the Company either in person or proxy.

Accordingly, pursuant to the request for clarification, the SIC provided their ruling on 4 June 2019 (as amended and supplemented by their email dated 18 June 2019), that any acquisition of shares or instruments convertible into and options in respect of shares of the Company by Mr Lau Gee Hong in the following periods, will not invalidate the Whitewash Waiver:—

- (a) during the period between the first announcement of the proposed Rights cum Warrants Issue and the date shareholders' approval is obtained for the Whitewash Resolution; and
- (b) in the six (6) months prior to the first announcement of the proposed Rights cum Warrants Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the proposed Rights cum Warrants Issue.

3.6 For the avoidance of doubt, the Concert Party Group, and parties not independent of them will abstain from voting on the Whitewash Resolution and shall not accept nomination as proxies or otherwise for voting on the Whitewash Resolution at the EGM.

BY ORDER OF THE BOARD

Ow Chin Seng
Executive Chairman cum Chief Executive Officer
11 July 2019

This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited (the "Sponsor"). It has not been examined or approved by the Exchange and the Exchange 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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