

ANNICA HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

**DEBT CONVERSION AGREEMENT DATED 11 FEBRUARY 2016
- RECEIPT OF NOTICE OF CONVERSION**

*Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Company's circular to Shareholders dated 12 July 2016 (together, the "**Circular**").*

The board of directors (the "**Board**") of Annica Holdings Limited (the "**Company**"), refers to the Circular in relation to the Debt Conversion Agreement and Debt Conversion Option.

Pursuant to the Deed of Assignment, the Company had on 5 December 2016 received notice of, and had acknowledged and given its consent to, the assignment by LionGold of a portion of the Outstanding Principal, equivalent to S\$1,000,000 (the "**First Assigned Debt**"), to the Investor.

The Board wishes to announce that it had on 6 December 2016, received notice from the Investor on his intention to exercise the Debt Conversion Option. In accordance with the Debt Conversion Agreement, the First Assigned Debt shall be converted to shares in the Company (the "**Debt Conversion Shares**") at the Conversion Price of S\$0.001 per Debt Conversion Share. As such, in accordance with the terms of the Debt Conversion Agreement, the Company will allot and issue to the Investor 1,000,000,000 Debt Conversion Shares on 8 December 2016, being two (2) Business Days following the receipt of the notice.

The Debt Conversion Shares, when allotted and issued, shall be fully paid up, free from Encumbrances, fully transferable and shall rank *pari passu* in all respects with and carry all rights similar to the existing shares of the Company including the right to receive dividends declared, made or paid, the books closure date of entitlement of which is on or after the date of issue of the Debt Conversion Shares, and shall not be subject to any pre-emptive right, rights of first refusal or other rights in favour of any other party to purchase or receive the same.

In accordance with the Debt Conversion Agreement, upon the allotment and issuance of the Debt Conversion Shares, the right of the Investor to the repayment of the First Assigned Debt shall be extinguished and released. Further announcements will be made by the Company updating the Shareholders on the status of the issuance, listing and quotation of the Debt Conversion Shares in due course.

Shareholders should note that under the Debt Conversion Agreement and Deed of Assignment, further assignments of the Assigned Debt from LionGold to the Investor may take place in due course. The Investor may also choose to convert such Assigned Debt in accordance with the Debt Conversion Option. The Company will make further announcements in relation to any notice received from the Investor on his intention to convert the Assigned Debt.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Sandra Liz Hon Ai Ling,
Executive Director and Chief Executive Officer
6 December 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST.

The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this document, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

*The contact person for the Sponsor is Mr Bernard Lui:
Telephone number: (65) 6389 3000
Email address: bernard.lui@morganlewis.com*