

# ANNICA HOLDINGS LIMITED

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

---

## THE DISPOSAL OF 350,000 ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF GPE POWER SYSTEMS (M) SDN. BHD. – SETTLEMENT DEFINITIVE AGREEMENTS

---

### 1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to the announcements made on 1 May 2020 and 22 May 2020 (the “**Earlier Announcements**”) in relation to, *inter alia*, the conditional sale and purchase agreement (the “**SPA**”) entered into between the Company and Chong Shin Mun (the “**Purchaser**”) for the disposal by the Company of its entire shareholding interest of 350,000 ordinary shares in the share capital of GPE Power Systems (M) Sdn. Bhd. (“**GPE**”), representing 70.0% of the total number of issued shares in GPE, and the Settlement Definitive Agreements to be entered into.

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Earlier Announcements.

### 2. SETTLEMENT DEFINITIVE AGREEMENTS

#### 2.1 Background

In the Earlier Announcements, the Board informed shareholders that the Company had, on 30 April 2020, entered into a Settlement Agreement with the Purchaser and Tan Yock Chew (the “**Guarantor**”) for the Fourth Tranche Consideration which is subject to definitive agreements (the “**Settlement Definitive Agreements**”) to be entered into between the relevant persons referred to below. In this regard, the Board wishes to announce that the Company had on 23 June 2020 entered into the following Settlement Definitive Agreements:

- 2.1.1. a Definitive Settlement Agreement entered into between the Company, the Purchaser and the Guarantor (the “**Definitive Settlement Agreement**”); and
- 2.1.2. a Deed of Assignment executed by Seri Beskaya Sdn. Bhd. (Company Registration No. 1161812-D) (“**SBSB**”) in favour of the Company (the “**Deed of Assignment**”).

#### 2.2 Definitive Settlement Agreement

Pursuant to the Definitive Settlement Agreement and subject to the terms therein:

- 2.2.1. so long as the Company does not receive cash payment equivalent to the Outstanding Amounts in full under the Settlement Definitive Agreements or Security Documents, the Guarantor and the Purchaser shall grant to the Company a put option (“**Put Option**”) to require the Guarantor and/or the Purchaser to purchase from the Company, the Charged Shares transferred to and held by the Company following enforcement of the Share Charge (the “**Put Option Shares**”);

- 2.2.2. the Guarantor and the Purchaser shall procure SBSB to execute the Deed of Assignment in favour of the Company and to observe and comply with the terms and conditions of the Deed of Assignment;
- 2.2.3. so long as the Company does not receive cash payment equivalent to the Outstanding Amounts in full under the Settlement Definitive Agreements or Security Documents, the Guarantor and the Purchaser shall continue to be liable to and shall pay to the Company the Shortfall Amount, interest on such Shortfall Amount and the Extension Fee upon demand; and
- 2.2.4. the Purchaser shall continue to pay to the Company the Interest and the Extension Fee until the Company shall have received the Outstanding Amounts in full.

### 2.3 Put Option

- 2.3.1. The consideration payable by the Guarantor and the Purchaser for each of the Put Option Shares (the **"Put Option Price"**) shall be the market value of the Put Option Shares as determined by an independent valuer appointed by the Company at the time of the exercise of the Put Option or the Outstanding Amounts, whichever is lower. Notwithstanding the foregoing, the total Put Option Price in respect of all Put Option Shares shall not exceed the Outstanding Amounts (less any cash payment which the Company may have received pursuant to any Settlement Definitive Agreement or Security Document).
- 2.3.2. The Put Option shall be exercisable by the Company at any time as the Company shall determine so long as the Company does not receive cash payment equivalent to the Outstanding Amounts in full under the Settlement Definitive Agreements or Security Documents.

### 2.4 Deed of Assignment

- 2.4.1. Pursuant to the Deed of Assignment, SBSB thereby assigns unto the Company all of SBSB's rights, title, interest, benefit, advantages and remedies to fifty percent (50%) of rights, title, interest, benefit, advantages and remedies which SBSB may have, in, under or arising out of the sale of all of the the production lines owned by SBSB currently housed in a factory lot located on Lot No. PT16944, Mukim of Hulu Bernam Timur, District of Batang Padang in the State of Perak (including all the sale proceeds thereof and other monies payable or to become payable to SBSB under the sale) (the **"Assigned Sale Proceeds"**);
- 2.4.2. immediately upon the execution of the Deed of Assignment, the Company is entitled to full receipt of the Assigned Sale Proceeds and may apply the same upon receipt as follows:
  - (a) first, in or towards the discharge of all costs and expenses incurred by the Company as stipulated in the Deed of Assignment, namely the costs, expenses, charges, legal or otherwise including stamp duty connected with the preparation and execution of the Deed of Assignment and all other documents relating thereto and all legal fees as between solicitor and client or otherwise, stamp duty, registration fees and other professional costs and disbursements incurred by the Company in order to preserve and/or enforce any of the rights of the Company

under the Deed of Assignment and to give effect to the provisions of the Deed of Assignment and all other instruments related thereto;

- (b) second, to discharge the Outstanding Amounts; and
- (c) last, with any surplus being paid free of any interest to SBSB or any other person who may be entitled to it.

## 2.5 Events of Default

If:

- 2.5.1. the Purchaser, the Guarantor, SBSB or other security party commits a breach of any provision of any of the Settlement Definitive Agreement or the Security Document;
- 2.5.2. the Company shall not have received the Assigned Sale Proceeds pursuant to the Deed of Assignment on or before 28 August 2020;
- 2.5.3. by reason of any change in applicable law, regulation or official directive (whether or not having the force of law) or any interpretation or application thereof, it has or will become unlawful for any party to maintain or give effect to their respective obligations under the Settlement Definitive Agreements;
- 2.5.4. any provision of the Settlement Definitive Agreements is declared by any judicial or other authority to be invalid or unenforceable under the law of any jurisdiction or is threatened to be so declared;
- 2.5.5. the Purchaser or the Guarantor becomes bankrupt or bankruptcy proceedings are threatened against the Purchaser or the Guarantor, or the Purchaser or the Guarantor is unable to pay their respective debts as and when they fall due or makes a general assignment or an arrangement or composition with or for the benefit of any creditors; or
- 2.5.6. the Purchaser or the Guarantor dies or becomes of unsound mind or suffers any mental or other incapacity,

the Outstanding Amounts shall become immediately due and payable and the Company shall be entitled to enforce all its rights against the Purchaser and the Guarantor under the SPA and the Security Documents without further reference to the Purchaser and/ or the Guarantor. In such event, the Company shall be entitled to look to the Purchaser and/or the Guarantor for all costs, expenses, duties and taxes (including legal and other fees on a full indemnity basis and all other out-of-pocket expenses) incurred by the Company in the enforcement, exercise and preservations of its rights and powers under the SPA and the Security Documents.

## 3. **FURTHER ANNOUNCEMENTS**

The Company will make further announcements as appropriate or when there are further developments on the same.

### **By Order of the Board**

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

23 June 2020

---

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Bernard Lui.  
Tel: 6389 3000 Email: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)*