

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

2.0% REDEEMABLE CONVERTIBLE BONDS DUE 2018 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$60,000,000

- UPDATE ON UTILISATION OF PROCEEDS FROM THE ISSUANCE OF THE FIRST TO FIFTEENTH SUB-TRANCHE OF THE TRANCHE 1 REDEEMABLE CONVERTIBLE BONDS

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to:

- a. the Company’s circular dated 11 December 2015 (the “**Circular**”) on the issuance of 2% redeemable convertible bonds (the “**RCBs**”) due in 2018 in the aggregate principal amount of up to S\$60,000,000 pursuant to a subscription agreement dated 31 July 2015 (as amended by a supplemental agreement dated 18 September 2016) (the “**Subscription Agreement**”) between the Company and Premier Equity Fund Sub Fund F (the “**Subscriber**”) and its manager, Value Capital Asset Management Private Limited; and
- b. (i) the issuance of the first to fifteenth sub-tranche of the Tranche 1 RCBs, with an aggregate principal amount of S\$7,500,000, as announced by the Company on 30 December 2015, 5 January 2016, 28 March 2016, 6 May 2016, 24 May 2016, 19 July 2016, 29 July 2016 and 26 October 2016; and
(ii) the utilisation of the proceeds arising from the issuance of the first to fourteenth sub-tranche of the Tranche 1 RCBs as announced by the Company on 30 December 2015, 19 January 2016, 2 March 2016, 30 March 2016, 9 May 2016, 25 May 2016, 20 July 2016 and 8 August 2016;

(collectively, the “**Previous Announcements**”).

Unless otherwise defined, all capitalised terms herein shall bear the same meaning ascribed to them in the Circular and Previous Announcements.

The Board wishes to provide an update on the utilisation of the proceeds from the issuance of the first to fifteenth sub-tranche of the Tranche 1 RCBs (the “**RCB Net Proceeds**”) as follows:

Purpose	Total RCB Net Proceeds utilised before the date of this announcement S\$’000	Utilisation of RCB Net Proceeds reported in this announcement S\$’000	Total RCB Net Proceeds utilised as at the date of this announcement S\$’000	Percentage of total RCB Net Proceeds %
Set-off of loan against issuance of RCBs to the Subscriber	1,699	-	1,699	23
Group’s general working capital ⁽¹⁾	2,828	384	3,212	44
Arranger’s fee on RCBs issued	350	25	375	5
Expenses incurred by the Subscriber in accordance with the terms and conditions of the Subscription Agreement	40	-	40	- ⁽²⁾
Consideration for the acquisition of GPE Power Systems Sdn Bhd (the “ GPE Acquisition ”) ⁽³⁾	1,838	-	1,838	25
Repayment of third party liabilities	150	100	250	3
Total	6,905	509	7,414	100

Notes:

- (1) Funds used for the Group's general working capital were for payments to suppliers, refundable deposit paid to a supplier for purchase of inventories, capital expenditure and operating expenses including staff salaries and professional fees.
- (2) Amount is less than 1%.
- (3) Please refer to the Company's announcements dated 11 January 2016 and 1 March 2016 on the GPE Acquisition. The total consideration for the Company's 70% shareholding interest in GPE Power Systems (M) Sdn Bhd was S\$1,837,500.

The above use of the RCB Net Proceeds is consistent with the intended use of proceeds for the RCBs as disclosed in the Circular.

The Company will make further announcement(s) on the utilisation of the balance of the RCB Net Proceeds as and when they are materially disbursed.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

31 October 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, 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*