

ANNICA HOLDINGS LIMITED

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

RESPONSE TO QUERIES FROM THE SGX-ST

Unless otherwise defined herein or the context otherwise requires, all terms used herein have the same meanings as defined in the Previous Announcement (as defined herein).

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to its announcement dated 22 October 2015 in relation to (A) update on receipt of notice to provide cash cover in connection with guarantee provided to Industrial Power Technology Pte. Ltd. and (B) entry into a loan agreement with Liongold Corp Ltd (the “**Previous Announcement**”).

The Company has received queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 23 October 2015, in relation to the Previous Announcement and have responded accordingly.

The Board has provided responses to the following queries received from the SGX-ST:

1. **SGX-ST Query:**

Based on the cash cover requested by HSBC and the loan from LionGold Corp Ltd, please provide the Board’s opinion if the Company will be able to operate as going concern and basis for the Board’s view.

Company’s Response:

As stated in paragraph 1.5 of the Previous Announcement, LionGold has provided loans to the Company to enable the Company to repay the Company’s share of the PB Claim and APB Claim of S\$1,600,000 and S\$1,359,150, respectively. The PB Claim has been fully settled and as at the date of this announcement, the Company has repaid its share of the APB Claim. Once LionGold has repaid the remaining S\$650,000 to HSBC, representing LionGold’s remaining share of the APB Claim, on or before 15 November 2015, the legal obligation of the Company under the Guarantees will be fully discharged.

The loans from LionGold as mentioned above and working capital loans that LionGold has extended to Industrial Power have then been consolidated into the Loan Agreement. Under the terms of the Loan Agreement, the LionGold Loan shall be repaid in full, together with all accrued interest on the Maturity Date, which falls 36 months from the date of the Loan Agreement of 22 October 2015. There is no provision for accelerated repayment unless there is occurrence of any Event of Default. However, the Company has stated in the Loan Agreement that, on a best efforts basis, it will utilise any excess funds from any successful fund raising exercise (including the Proposed RCB Issue (as defined herein)) for prepayment of the LionGold Loan, after meeting the Group’s capital and operating commitments.

Following the above and on the basis that the necessary approvals are obtained for the proposed issue of 2.0% redeemable convertible bonds due 2018 (the “**Proposed RCB Issue**”) with an aggregate principal amount of up to S\$60,000,000 as announced by the Company on 22 June 2015, the Board is of the opinion that, after taking into consideration the present bank facilities, the LionGold Loan and net proceeds from the Proposed RCB Issue, the working capital available to the Group is sufficient to meet its present requirements.

2. SGX-ST Query:

To provide the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's Response:

The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.

CAUTION IN TRADING

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

Edwin Sugiarto
Chairman and Executive Director

4 November 2015

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

The 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 correctness of any of the statements or opinions made or reports contained in this announcement.

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