

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

RECEIPT OF NOTICE OF TERMINATION BY INDUSTRIAL POWER TECHNOLOGY PTE. LTD.

The Board of Directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) wishes to announce that Industrial Power Technology Pte. Ltd. (“**Industrial Power**”), a 60%-owned subsidiary of the Company, has received a Notice of Termination dated 26 March 2015 (“**Termination Notice**”) in respect of the Engineering, Procurement, Construction & Commissioning Turnkey Contract (“**EPCC Contract**”) between Industrial Power and FTJ Bio Power Sdn. Bhd. (“**FTJ**”), incorporated in Malaysia, dated 29 December 2010 on the grounds of alleged breach and default by Industrial Power of certain terms under the EPCC Contract (“**FTJ Claims**”).

Industrial Power has been directed by the Company to seek advice in relation to Industrial Power’s position on the validity and merits of the Termination Notice and FTJ Claims. Industrial Power will, subject to advice, vigorously object to the FTJ Claims and take all appropriate steps according to the terms of the EPCC Contract including the resolution of the FTJ Claims via amicable negotiations. If the matter cannot be resolved by these negotiations, Industrial Power intends to exercise its rights and to initiate arbitration proceedings at the Kuala Lumpur Regional Centre for Arbitration as provided for in the EPCC Contract.

The EPCC Contract is for the engineering, procurement, construction and commissioning of a Biomass Power Plant (“**Power Plant**”) in Malaysia. As of the date of this announcement, Industrial Power has completed the engineering, procurement and construction of the Power Plant which FTJ has paid up to approximately 90% of the EPCC Contract’s original contract sum of Ringgit Malaysia 87 million (approximately Singapore Dollars 32.5 million at the current exchange rate).

The Company will make further announcements as and when there are material developments on this matter.

By Order Of The Board

Edwin Sugiarto
Chairman and Executive Director

27 March 2015

*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 Catalyst. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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