

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

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**PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**

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**1. INTRODUCTION**

- 1.1. The board of directors (the “**Directors**”) of Annica Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights cum warrants issue (the “**Rights cum Warrants Issue**”) of up to 1,312,279,324 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.003 (the “**Issue Price**”) for each Rights Share and up to 1,312,279,324 free detachable warrants (the “**Warrants**”), with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**Warrant Share**”) at the exercise price of S\$0.005 per Warrant Share (the “**Exercise Price**”), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (the “**Share**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights cum Warrants Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded, and one (1) Warrant for every one (1) Rights Share subscribed.
- 1.2. The Company will be seeking specific approval from Shareholders by way of an extraordinary general meeting (the “**EGM**”) to be convened for the undertaking of the Rights cum Warrants Issue. A circular (the “**Circular**”) setting out, amongst other things, the details of, and other relevant information pertaining to the Rights cum Warrants Issue, together with the notice of the EGM, will be despatched to the Shareholders in due course.

**2. DETAILS OF THE RIGHTS CUM WARRANTS ISSUE**

2.1 Terms of the Rights cum Warrants Issue

- (a) The Company is proposing to undertake the Rights cum Warrants Issue, at the Issue Price for each Rights Share with Warrants on a renounceable basis to the Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) Market Days<sup>1</sup> prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).

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<sup>1</sup> “**Market Day**” means a day on which SGX-ST is open for trading in securities.

- (b) The Rights Shares with Warrants are offered on the basis of one (1) Rights Share for every one (1) existing Share held as at the Books Closure Date, and one (1) free detachable Warrant with every one (1) Rights Share subscribed.
- (c) Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at the Entitled Shareholder's provisional allotments of Rights Shares with Warrants and will, together with the provisional allotment of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.
- (d) The Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) their provisional allotment of the Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue (the "**Excess Rights Shares with Warrants**").
- (e) In the allotment of Excess Rights Shares with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares with Warrants, if any, provided that where there are insufficient Excess Rights Shares with Warrants to allot to each application, the Company shall allot the Excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of directors of the Company (the "**Board**"), will rank last in priority. The Company will also not make any allotment and issue of any Excess Rights Shares with Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- (f) The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the Catalist Board of the SGX-ST (the "**SGX-ST Catalist**") under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the SGX-ST Catalist, subject to, *amongst others*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.
- (g) Each Warrant will, subject to the terms and conditions governing the Warrants to be set out in an instrument by way of a deed poll (the "**Deed Poll**"), carry the right to subscribe for one (1) Warrant Share at the Exercise Price and at any time during the period stated above. Warrants that remain unexercised at the expiry of the Exercise Period (defined below) shall lapse and cease to be valid for any purpose.

- (h) The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company. Such circumstances include without limitation, consolidation or subdivision of shares, capitalization issues, rights issue and certain capital distributions. The Warrant Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date (as defined below) for which is before the date of exercise of the Warrants. Further details of the Warrants can be found in paragraph 3 below.
- (i) The Rights Shares are payable in full upon acceptance and application by Entitled Shareholders. The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares with Warrants. For this purpose, a “**record date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.
- (j) The Rights cum Warrants Issue is renounceable and Entitled Shareholders who do not wish to subscribe for the Rights Shares with Warrants may sell their provisional entitlements (the “**Rights**”) during the “nil-paid” Rights trading period.

## 2.2 Number of Rights Shares with Warrants

As at the date of this announcement, the existing issued and paid-up share capital of the Company (excluding treasury shares) comprises 1,312,279,324 Shares (the “**Existing Share Capital**”). As at the date of this announcement, the Company does not have any outstanding convertible securities.

Based on the Existing Share Capital and assuming that (1) no new Shares are issued on or prior to the Books Closure Date; and (2) all the Entitled Shareholders subscribe in full for their *pro-rata* entitlements of Rights Shares with Warrants and subsequently exercise all their Warrants (the “**Maximum Subscription Scenario**”), the Company will issue 1,312,279,324 Rights Shares and 1,312,279,324 Warrant Shares under the Rights cum Warrants Issue.

### 2.3 Issue Price and Exercise Price

- (a) The Issue Price of S\$0.003 for each Right Share represents a discount of 40% to the closing price of S\$0.005 per Share on 31 March 2015, being the last full market day wherein Shares were traded on the SGX-ST Catalist immediately preceding this announcement.
- (b) The Exercise Price of S\$0.005 for each Warrant Share is on par with the closing price of S\$0.005 per Share on 31 March 2015, being the last full market day wherein Shares were traded on the SGX-ST Catalist immediately preceding this announcement.

### 2.4 Option to Scale Down

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, and upon the approval of the SGX-ST, scale down the subscription and/or excess applications for the Rights Shares with Warrants by any of the substantial Shareholders (if such substantial Shareholder chooses to subscribe for its *pro-rata* entitlement of Rights Shares with Warrants and/or apply for Excess Rights Shares with Warrants) to avoid placing the relevant substantial Shareholder and parties acting in concert with it (as defined in the Singapore Code on Take-overs and Mergers (the “**Code**”)) in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

### 2.5 Further Information

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may in their absolute discretion deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the circular and offer information statement (the “**Offer Information Statement**”) to be despatched by the Company to Entitled Shareholders in due course.

### 3. DETAILS OF THE WARRANTS

- 3.1 The Exercise Price will be fixed at S\$0.005 for each Warrant Share upon exercise of the Warrants, subject to such adjustments to be set out in the Deed Poll.
- 3.2 Subject to the execution of the Deed Poll, the general terms of the Warrants are, amongst others, as follows:

Number of Warrants	Up to 1,312,279,324 in aggregate.
Detachability and Trading	The Warrants will be detached from the Rights Shares on issue and will be listed and traded on the SGX-ST Catalist.
Exercise Price	The exercise price will be fixed at S\$0.005 for each Warrant Share, subject to the prescribed adjustments.
Exercise Period	The Warrants may be exercised at any time during the period which will commence on the date of issue of the Warrants and will end on the day immediately preceding the third (3rd) anniversary of the date of issue of the Warrants. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
Adjustments	The Exercise Price and the number of Warrants to be held by each warrant holder will be subject to adjustments only in the event of rights, bonus or other capitalisation issues.

### 4. INDICATION OF INTEREST

Mr. Edwin Sugiarto, Chairman and Executive Director of the Company, has a direct and/or deemed interest in 108,269,800 Shares, representing approximately 8.25% of the Existing Share Capital as at the date of this announcement. To demonstrate his support for the Rights cum Warrants Issue, Mr. Edwin Sugiarto has indicated his interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, his *pro-rata* entitlement of 108,269,800 Rights Shares with Warrants under the Rights cum Warrants Issue.

**Shareholders should note that this indication of interest does not amount to an irrevocable undertaking by Mr. Edwin Sugiarto to take up his *pro-rata* entitlement under the Rights cum Warrants Issue.**

## 5. RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE AND USE OF PROCEEDS

- 5.1 The Company undertook a rights issue exercise in 2012 (the “**2012 Rights Issue**”), the terms and conditions of which were contained in the Company’s offer information statement dated 19 December 2012 (the “**2012 OIS**”) and the change in the use of proceeds arising from the 2012 Rights Issue as announced by the Company on 12 June 2013 (the “**12 June 2013 Announcement**”). In accordance with 2012 OIS and 12 June 2013 Announcement, the net proceeds from the 2012 Rights Issue have been utilised for the purposes of funding (i) the operations of the Company’s subsidiaries; (ii) general working capital and; (iii) the purchase of a leasehold property located at 38 Kallang Place, Singapore 339166; and the remaining was invested in a mutual fund with a carrying value of approximately S\$0.04 million as at 28 February 2015.
- 5.2 The Company is undertaking the present Rights cum Warrants Issue to strengthen the financial position and cash position of the Group. The Rights cum Warrants Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company, and will allow the Group to be less reliant on external sources of funding, thereby potentially incurring fewer expenses related to external funding, for future expansion both in and outside Singapore.
- 5.3 In the event of the Maximum Subscription Scenario, the Rights cum Warrants Issue will raise approximately S\$3.9 million and the net proceeds of the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$0.2 million, will amount to approximately S\$3.7 million.
- 5.4 The Company believes that the Issue Price of S\$0.003 for each Rights Share is attractive, and in the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights cum Warrants Issue taking into consideration the intended use of proceeds.
- 5.5 After taking into consideration the cost of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors decided that it is not feasible and practicable for the Rights cum Warrants Issue to be underwritten.

5.6 The intended use of the net proceeds (in the following order of priority) are set out below:

<b>Use of Proceeds</b>	<b>Percentage allocation</b>
a. To fund general corporate activities including, but not limited to, acquisitions, joint ventures and/or for strategic alliances	30%
b. General working capital	70%
<b>Net proceeds arising from the Rights cum Warrants Issue</b>	<b>100%</b>

The additional proceeds arising for the exercise of all of the Warrant is approximately S\$6.6 million. As and when the Warrant are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards expanding the business of the Group, financing new business ventures through acquisitions and/or strategic investments, working capital and/or such other purposes as the Directors may deem fit.

5.7 Pending deployment, the net proceeds from the Rights cum Warrants Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit.

5.8 The Company will make periodic announcements on the use of proceeds from the Rights cum Warrants Issue as and when the funds are materially disbursed, as well as provide status reports on the use of proceeds from the Rights cum Warrants Issue in the Company's annual reports and results announcement until such time as the proceeds have been fully utilised.

5.9 The Directors are of reasonable opinion that the present bank facilities and currently available working capital of the Group is sufficient to meet its present requirements.

The Directors wish to highlight that as the Group's core businesses require high internal working capital, the Directors, together with the management team, constantly undertake reviews of the Group's operating models, strategies and planning processes to enable it to enhance its competitiveness and market presence. These reviews may, where applicable and appropriate, include various measures like raising of financing via debt or equity (issuance of new shares pursuant to placements or rights issues) or quasi-equity instruments or organic investments to enhance and strengthen its existing businesses or for acquisitions of assets or businesses as well as disposal or restructuring of existing assets or businesses within the Group.

While the Directors are reasonably positive that the measures can be achieved, there is no assurance of success as they are subject to acceptable terms and conditions, Shareholders' approval as well as market conditions. Therefore, the success of the Rights cum Warrants Issue is an important measure to strengthen the financial position and capital base of the Group. Please refer to paragraph 5.6 above on the intended use of proceeds for further information.

After taking into consideration the present bank facilities and the net proceeds of the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

As announced by the Company on 27 March 2015 on the receipt of a notice of termination from a customer of one of the Group's subsidiaries, the subsidiary is seeking advice on the validity and merits of the said notice of termination. The subsidiary will take all appropriate steps to resolve the matter via amicable negotiation and if necessary, initiate arbitration proceedings, which is likely to take about 1 to 2 years from commencement before an award is given. The Group's audited financial statements for the year ended 31 December 2014 are currently being finalised.

## **6. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE**

### **6.1 Entitled Depositors**

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (the "**Depositors**") will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be "**Entitled Depositors**", Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they must provide CDP, at 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.



## 6.2 Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Scripholders**”) will be provisionally allotted Rights Shares with Warrants on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, they must provide the share registrar, B.A.C.S. Private Limited (the “**Share Registrar**”), at 63 Cantonment Road, Singapore 089758 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with Warrants.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, must be received no later than 5.00 p.m. on the Books Closure Date by the Share Registrar, and will be registered to determine the transferee’s provisional allotments of Rights Shares with Warrants entitlements.

## 6.3 Central Provident Fund Investment Scheme

Persons who bought their Shares previously using their Central Provident Fund account savings (the “**CPF Funds**”) may only use their CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants, subject to the applicable rules and regulations of the Central Provident Fund. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants will need to instruct their respective approved banks where they hold their CPF Investment Accounts, to accept their provisional allotment of Rights Shares with Warrants and (if applicable) apply for the Excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

#### 6.4 Foreign Shareholders

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore time) on the date being three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”) and the Offer Information Statement and its accompanying documents will not be despatched to the Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares with Warrants will be made to the Foreign Shareholders and no purported acceptance thereof or application therefor will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto. The net proceeds therefrom will be dealt with in accordance with the terms set out in the Offer Information Statement to be issued by the Company for the Rights cum Warrant Issue.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar or CDP in connection therewith.

## **7. CONDITIONS TO THE RIGHTS CUM WARRANTS ISSUE**

7.1 The Rights cum Warrants Issue is subject to, inter alia, the following:

- (a) the approval of the Shareholders of the Company for the Rights cum Warrants Issue at the EGM;
- (b) the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on the SGX-ST Catalist; and
- (c) the lodgement of the Offer Information Statement, together with all other accompanying documents (if applicable), with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore (the “MAS”).

7.2 Stamford Corporate Services Pte. Ltd., acting as Continuing Sponsor to, and on behalf of the Company, will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the SGX-ST Catalist.

7.3 The Offer Information Statement will also be lodged with the SGX-ST, acting as agent on behalf of the MAS and despatched to Entitled Shareholders in due course after, inter alia, receipt of the listing and quotation notice from the SGX-ST.

7.4 Appropriate announcements in relation to the above application, lodgement and despatch will be made in due course.

## **8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors and Substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

## 9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Group and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD  
**ANNICA HOLDINGS LIMITED**

Edwin Sugiarto  
Chairman and Executive Director  
1 April 2015

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*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 SGX-ST. 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 correctness of any of the statements or opinions made, or reports contained in this announcement.*

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