

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. – REPAYMENT OF THIRD TRANCHE CONSIDERATION AND INTEREST

1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to the announcements made on 26 July 2018, 29 October 2018, 15 January 2019 and 15 February 2019 in relation to the conditional sale and purchase agreement (the “**SPA**”) entered into between the Company and Chong Shin Mun (the “**Purchaser**”) on the proposed 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., representing 70.0% of the total number of issued shares in GPE (the “**Earlier Announcements**”).

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

2. REPAYMENT OF THIRD TRANCHE CONSIDERATION AND INTEREST

As set out under clause 3.1.3 of the SPA, the Third Tranche Consideration shall be paid by the Purchaser to the Company on or before the Original Due Date (i.e. 31 December 2018). The Original Due Date was subsequently extended to 30 April 2019 pursuant to paragraph 3 of the Supplemental Agreement.

The Board wishes to update the shareholders that the Purchaser has, as at the date of this announcement, failed to pay the Third Tranche Consideration plus the accrued interest due and owing to the Company pursuant to the SPA (as supplemented by the Supplemental Agreement).

Given the above, the Company has, in respect of the Third Tranche Consideration, served a letter of demand (the “**Letter of Demand**”) on the Purchaser on 2 May 2019. The Letter of Demand has demanded payment of a total sum of S\$600,000.00, plus accrued interest of S\$11,835.60 of up to 30 April 2019, from the Purchaser by no later than close of business, 16 May 2019. This shall be without prejudice to the Company's right to receive further accrued interest up to the date of full repayment of sums due and owing under the Sale and Purchase Agreement (as supplemented by the Supplemental Agreement).

Failing the foregoing, the Company shall be seeking further legal advice on the recovery of the outstanding amounts and to consider enforcing all of the rights of the Company against the Purchaser under the security documents entered into or around the date of the SPA (including but not limited to the Share Charge and the Personal Guarantee) without further reference to the Purchaser or the Guarantor.

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

2 May 2019

*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 ("**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*