

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

**PROPOSED ACQUISITION OF BUSINESS ASSETS LOCATED IN TANJUNG MALIM, PERAK,
MALAYSIA**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Annica Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 7 March 2025, entered into a conditional asset purchase agreement (“**APA**”) with GPL Industries Sdn. Bhd. (the “**Vendor**”), pursuant to which the Company has agreed to acquire, and the Vendor has agreed to sell to the Company, certain assets owned by the Vendor located in Tanjung Malim, Perak, Malaysia (“**Business Assets**”) for a consideration of S\$2,650,000 (the “**Proposed Acquisition**”).

2. INFORMATION ON THE BUSINESS ASSETS

- 2.1 The Business Assets consist of (i) a waste tyre pyrolysis plant (the “**Plant**”) which is equipped with a total of 14 vertical automatic waste tyre pyrolysis production lines (the “**Production Lines**”), of which four (4) are owned by the Vendor (the “**GPL Production Lines**”), together with its associated machineries, equipment and ancillary facilities.
- 2.2 As disclosed in the Company’s announcement dated 2 October 2024, the remaining ten (10) Production Lines located within the Plant (the “**10 Production Lines**”) have been transferred by Tan Yock Chew (“**Ms. Tan**”) to the Company (and/or its nominee) as full and final settlement of the outstanding amounts owed by Chong Shin Mun (“**Ms. Chong**”) and GPE Power Systems (M) Sdn. Bhd. to the Company, under the terms of the final letter of settlement entered into between the Company, Ms. Chong and Ms. Tan on 14 August 2024 (“**Final Settlement**”).
- 2.3 The Production Lines utilise the tyre pyrolysis method, focusing on the extraction and/or harvesting of waste products, and the supply of the by-products and recycled materials from waste products like used tires. These include marketable industrial grade pyrolysis oil, carbon black for use in the rubber and other materials that can be used for energy, power generation, manufacturing, and other alternative purpose.
- 2.4 The GPL Production Lines are currently not in operation, and hence there is no net profit attributable to the GPL Production Lines. Pursuant to the APA, the aggregate net book value ascribed to the Business Assets is approximately RM8,886,000 as at 3 October 2024.
- 2.5 According to the latest available valuation report dated 20 March 2024 by an independent valuer (“**Valuation Report**”), W M Malik & Kamaruzaman Sdn. Bhd. (“**Independent Valuer**”), commissioned by the Company in 2024, the aggregate market value (being the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion) of the GPL Production Lines is US\$1,960,000 (“**Market Value**”) as at 20 March 2024 (“**Valuation**”).

- 2.6 The Market Value of the GPL Production Lines was valued based on the Depreciated Replacement Cost approach whereby the value of the GPL Production Lines is determined by taking into account the present cost of freight, taxes, labour, overheads and installation charges and depreciated according to the condition and life span of the GPL Production Lines in comparison with new machinery and plant equipment of the same kind and on the assumption that the GPL Production Lines are or are capable of being utilised as assets of a profitable undertaking.
- 2.7 The Valuation was conducted in accordance with the International Valuation Standards as prescribed by the International Valuation Standards Council.
- 2.8 None of the Vendor, the Vendor's shareholders and the Vendor's directors, the Directors and the substantial shareholders of the Company, or their respective associates has any interest, direct or indirect, in the Independent Valuer.

3. INFORMATION ON THE VENDOR

The information presented herein in relation to the Vendor is based solely on information provided by the Vendor. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

- 3.1 The Vendor is a private company limited by shares incorporated in Malaysia on 3 September 2015. As at the date of this announcement, the Vendor has a total issued and paid-up share capital of RM9,000,000 divided into 9,000,000 ordinary shares.
- 3.2 The current shareholding structure of the Vendor is as follows:

Shareholder of the Vendor	Number of Shares	Percentage
Mohamad Idris Shah Bin Ibrahim	4,500,000 ordinary shares	50%
Teh Ai Ding (sole director of the Vendor)	4,500,000 ordinary shares	50%

- 3.3 The Vendor is principally engaged in the business of extrusion and recycling of end-of-life waste tyres for the production of by-products. These include marketable industrial grade pyrolysis oil, clean pyrolysis gas, carbon black for use in the rubber and manufacturing industry and recyclable wires by separating steel wires from tyres for concrete reinforcement and steel production.
- 3.4 As at the date of this announcement, (i) the Vendor, the Vendor's shareholders and the Vendor's director, are not related to the Directors, substantial shareholders of the Company, or their respective associates, and (ii) the Vendor, the Vendor's shareholders and the Vendor's director do not have any direct or indirect shareholding interest in the Company.
- 3.5 There is no introducer or referrer involved in the Proposed Acquisition, and there are no referral fees or commission fees or introducer fees or any other fees payable to any person or entity with respect to the Proposed Acquisition.

4. SALIENT TERMS OF THE APA

Consideration

- 4.1 Pursuant to the APA, the consideration for the Proposed Acquisition shall be S\$2,650,000 (the “**Consideration**”) and was arrived at on a willing-buyer and willing-seller basis after the conduct of negotiations on an arm’s length basis, taking into account, among other things, the following factors:
- (a) the valuation of the GPL Production Lines as set out in section 2.3 of this announcement;
 - (b) the aggregate net book value ascribed to the Business Assets as set out in section 2.4 of this announcement; and
 - (c) the rationale and benefits to the Company for the Proposed Acquisition as set out in Section 5 of this announcement.
- 4.2 The Consideration shall be satisfied wholly by way of an allotment and issuance of 1,766,666,666 new ordinary shares of the Company (the “**Consideration Shares**”) to the Vendor on the completion of the Proposed Acquisition, at an issue price per Consideration Share of S\$0.0015 (the “**Issue Price**”). The Issue Price represents a premium of 50% to the volume weighted average price of S\$[0.001] per Share transacted on 5 March 2025, being the last market day where there was Shares traded immediately preceding the date of the APA.
- 4.3 The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing shares of the Company (“**Shares**”), and be credited as fully-paid and free from all encumbrances and liabilities, and with all rights, benefits, advantages and entitlements attaching thereto.
- 4.4 The Company will be making an additional listing application, through its sponsor, to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of, and quotation for, 1,766,666,666 Consideration Shares on the Catalist board of the SGX-ST. The Company will make the necessary announcement when the SGX-ST grant the notice for the listing of and quotation for the Consideration Shares.
- 4.5 The Consideration Shares are intended to be allotted and issued pursuant to the Company’s general mandate (the “**Share Issue Mandate**”) approved by shareholders of the Company (“**Shareholders**”) at the annual general meeting of the Company held on 29 April 2024 (the “**2024 AGM**”) where the total number of new Shares that may be issued pursuant to the Share Issue Mandate on a non-pro rata basis is 8,487,383,524 new Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to the Share Issue Mandate. Accordingly, the allotment and issuance of 1,766,666,666 Consideration Shares will fall within the limits of the Share Issue Mandate.
- 4.6 The Consideration Shares represents approximately 9.17% of the existing issued and paid-up share capital of the Company, and 8.40% of the enlarged issued and paid-up share capital of the Company following completion of 1,766,666,666 Shares, assuming no other new Shares are issued by the Company prior to the issuance of the Consideration Shares.

Conditions Precedent

- 4.7 The completion of the Proposed Acquisition shall be conditional on the following conditions (“**Conditions Precedent**”) being satisfied, or waived by the Company in writing, in accordance with the APA, within three (3) months from the date of the APA or such longer period as shall be mutually

agreed by the Vendor and the Company in writing:

- (a) the approval of the board of directors and the shareholders of the Vendor in relation to the disposal of the Business Assets to the Company and the execution and performance by the Vendor of the APA;
- (b) there has been no material adverse effect to the Business Assets prior to the date of completion of the Proposed Acquisition; and
- (c) the listing and quotation notice for the listing of and quotation for the Consideration Shares on the Catalist Board of the SGX-ST being granted by the SGX-ST (and if such approval is subject to conditions, such conditions being reasonably acceptable to the Vendor (if applicable) and the Company), and such listing and quotation notice not being revoked or withdrawn on or prior to the date of completion of the Proposed Acquisition.

5. RATIONALE FOR THE PROPOSED ACQUISITION

5.1 The Company has been exploring potential opportunities since obtaining approval from the Shareholders at an extraordinary general meeting of the Company held on 2 September 2016 for the diversification of the Group's core business to include the following businesses:

- (i) the recycling business;
- (ii) the renewable energy business;
- (iii) the green technology business; and
- (iv) other complementary technology business.

5.2 Further, as disclosed in section 2.2 of this announcement, the Company and/or its nominee(s) already owns the 10 Production Lines situated on the Plant upon completion of the transfer from Ms. Tan as part of the Final Settlement. Upon the completion of the Proposed Acquisition, the Company will have full control of the Plant and own all of the 14 Production Lines situated at the Plant, hence improving economies of scale.

5.3 The Board is of the view that there is potential in achieving substantial economic benefits from the Proposed Acquisition as part of the Company's business diversification strategy, with a view to expand revenue streams and maximize the economic return and long-term interest of Shareholders. Accordingly, the Board is of the view that the Proposed Acquisition is in the best interest of the Company and its Shareholders.

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

6.1 The relative figures in respect of the Proposed Acquisition as computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), are based on the latest announced unaudited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**") and are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets to be acquired or disposed of, compared with the Group's net profits.	Not applicable ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares.	9.17% ⁽³⁾⁽⁴⁾
(d)	The number of equity securities issued as consideration for an acquisition, compared with the number of securities previously in issue.	9.17%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁵⁾

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable as the Proposed Acquisition is in relation to an acquisition of assets and does not involve any disposal of assets.
- (2) Rule 1006(b) of the Catalist Rules is not applicable as there is no net profit attributable to the Business Assets as they are under retrofitting process and are currently not in operation.
- (3) Pursuant to Rule 1002(5) of the Catalist Rules, "market capitalisation" is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the sale and purchase agreement or in this case, the APA.

The market capitalisation of the Company of S\$19,260,481 is computed based on the issued share capital of the Company of 19,260,481,334 Shares as at the date of this announcement, and the weighted average price of the Shares of approximately S\$0.001 per Share, transacted on 5 March 2025 (being the last market day where there was Shares traded preceding the date of the APA).

- (4) Pursuant to Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value ("**NAV**") represented by such shares, whichever is higher.

Pursuant to Rule 1002(4) of the Catalist Rules, "market value" means the weighted average price of the issuer's shares transacted on the market day preceding the date of the sale and purchase agreement.

Based on the latest announced unaudited consolidated financial statements of the Group for FY2024, the NAV per Share of the Group is approximately 0.0041 Singapore cents, and the market value per Share (based on weighted average price of Shares transacted on 5 March 2025, being the last market day where there was Shares traded preceding the date of the APA) is S\$0.001. As the market value per Share is higher than the NAV per Share of the Group, the value of the Consideration Shares shall be determined based on the market value per Share of S\$0.001. Accordingly, the market value of the 1,766,666,666 Consideration Shares is approximately S\$1,766,667.

- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

- 6.2 As the relative figures set out under Rules 1006(c) and 1006(d) of the Catalist Rules exceed 5% but do not exceed 75%, the Proposed Acquisition constitutes a “discloseable transaction” as defined under Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition is not subject to the approval of Shareholders.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Bases and assumptions

- 7.1 The *pro forma* financial effects of the Proposed Acquisition on the Group presented below are for illustrative purposes only and are not intended to be indicative or reflective of the actual results, financial performance and position of the Group following the completion of the Proposed Acquisition. No representation is made as to the financial position and/or results of the Group following the completion of the Proposed Acquisition.
- 7.2 The *pro forma* financial effects are computed based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2023 (“**FY2023**”), and on the following bases and key assumptions:
- (a) the Proposed Acquisition had been effected on 31 December 2023, being the end of the most recently completed financial year of the Group, for illustrating the financial effects on the consolidated net tangible assets (“**NTA**”) of the Group;
 - (b) the Proposed Acquisition had been effected on 1 January 2023, being the beginning of the most recently completed financial year of the Group, for illustrating the financial effects on the consolidated loss per share (“**LPS**”) of the Group;
 - (c) the Group’s debt conversion of S\$2.40 million into 2,285,714,286 Shares as completed on 29 August 2024 has been effected on 1 January 2023, for illustrating the financial effects on the NTA and LPS of the Group; and
 - (d) the expenses to be incurred in relation to the Proposed Acquisition was disregarded.

7.3 Effect on NTA per share

Had the Proposed Acquisition been completed on 31 December 2023, the financial effect on the NTA per share of the Group as at 31 December 2023 for the Proposed Acquisition is as follows:

As at 31 December 2023	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ (S\$'000)	1,872	4,522
Number of issued shares (excluding treasury shares) ('000)	19,260,481	21,027,148
NTA per share (S\$ cents)	0.0097	0.0215

Note:

(1) NTA is computed based on total assets less total liabilities and intangible assets.

7.4 Effect on LPS

Had the Proposed Acquisition been completed on 1 January 2023, the financial effect on the LPS of the Group for FY2023 is as follows:

For FY2023	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to Shareholders after tax (S\$'000)	1,235	1,235
Weighted average number of issued Shares (excluding treasury shares) ('000)	19,260,481	21,027,147
LPS (S\$ cents)	0.0064	0.0059

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Acquisition (other than their direct or indirect shareholdings in the Company, if any).

9. SERVICE CONTRACTS

No person will be appointed as a Director to the Board in connection with the Proposed Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

10. DOCUMENTS FOR INSPECTION

A copy of the APA and the Valuation Report are available for inspection at the Company's registered office at 40 Ubi Crescent #01-01 Ubi Techpark Singapore 408567, during normal business hours for a period of three (3) months from the date of this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to keep shareholders of the Company informed, as and when there are further updates or developments in relation to the Proposed Acquisition in due course.

12. DIRECTORS' 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 Proposed Acquisition, the Company and its subsidiaries, 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, obtained from a named source, or information in relation to the Vendor provided by the Vendor, 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 the announcement in its proper form and context.

13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

7 March 2025

This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.

The contact person for the Sponsor is Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.