

SETTLEMENT AGREEMENT IN RELATION TO EMPLOYMENT AGREEMENT

1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to:

- (i) the Company's announcement dated 13 June 2019 in relation to the receipt of a writ of summons, endorsed with a statement of claim, filed by a former employee of the Company, Mr. Edwin Sugiarto (“**Mr Sugiarto**”) in the High Court of Singapore (the “**Suit**”); and
- (ii) the Company's announcement dated 4 July 2019 in relation to the Company's responses to the Singapore Exchange Securities Trading Limited's queries in relation to, *inter alia*, the Company's receipt of the writ of summons,

(collectively, the “**Earlier Announcements**”).

Unless otherwise defined herein, all capitalised terms used and defined herein shall have the same meanings given to them in the Earlier Announcements.

In the Suit, Mr. Sugiarto is claiming against the Company for a sum of S\$416,784.25 plus interest and costs up to the date of full settlement.

The Board of the Company wishes to announce that the Company had on 1 April 2020 entered into a settlement agreement with Mr. Sugiarto (the “**Settlement Agreement**”) for the full and final settlement of the Suit commenced by Mr. Sugiarto in relation to his employment agreement in writing dated 1 January 2016 (the “**Employment Agreement**”).

2. SETTLEMENT AGREEMENT

The Board, with the advice of its legal advisors, are of the view that an expeditious settlement of the Suit without expending further resources and legal costs is in the best interests of the Company. The Settlement Agreement shall constitute the full and final settlement between the Company and Mr. Sugiarto (collectively, the “**Parties**”) for all disputes in relation to the Suit.

Under the Settlement Agreement, in full and final settlement of all disputes between the Parties on the Suit:

- (i) the Company shall pay Mr Sugiarto the sum of S\$300,000 (the “**Settlement Sum**”) by way of equal monthly instalments, over a period of 21 months, with the first instalment in the sum of S\$14,285.71 commencing 1 April 2020;
- (ii) the Company shall, on 1 April 2020, provide Mr Sugiarto and/or his solicitors with copies of 20 post-dated cheques, to be dated on the 1st day of each subsequent month commencing 1 May 2020, each in the sum of S\$14,285.71 (“**Post-dated Cheques**”)(**1st April Compliance**”);

- (iii) the Company shall not use the payment previously made by the Company towards Mr Sugiarto's income tax, for the sum of S\$46,656.48, to set off against the Settlement Sum, or any part of it;
- (iv) Mr Sugiarto shall file a Notice of Discontinuance in the Suit within 3 days after the 1st April Compliance is satisfied to discontinue his claim in the Suit with no order as to costs, and the Company shall likewise file its Notice of Discontinuance in the Suit at the same time to discontinue its counterclaim in the Suit with no order as to costs, and no further claim shall be made thereafter against either Party, arising out of, and/or in connection with the Employment Agreement;
- (v) payment of S\$285,714.29, being the balance Settlement Sum shall be effected by releasing the Post-dated Cheques to Mr Sugiarto or his solicitors, monthly, on the 1st day of each month, and if such day should fall on a non-working, then by the next working day from the 1st day of each month, commencing 1 May 2020 ("**Due Date**");
- (vi) in the event the Post-dated Cheques, or any of the Post-dated Cheques is not given to Mr Sugiarto and/or his solicitors by the Due Date, or any of the Post-dated Cheques is stopped and/or dishonoured upon presentation, for whatever reason, the full Settlement Sum shall be immediately due, and payable less any payment already made, and the Company shall undertake not to defend any action for the Settlement Sum, or any part of it, and/or any enforcement steps taken by Mr Sugiarto to recover the Settlement Sum, or any part of it; and
- (vii) in the event that the Company breaches any of its obligations under the Settlement Agreement, Mr Sugiarto shall be entitled to recover from the Company all costs, and expenses on an indemnity basis incurred by Mr Sugiarto as a result of, or in connection with, the enforcement of the terms of this Settlement Agreement.

3. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing with the Company's securities. Shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the action that they should take.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

1 April 2020

*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It 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.*

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