

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 FOURTH TRANCHE CONSIDERATION

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, 15 February 2019, 2 May 2019, 20 May 2019, 31 May 2019, 9 June 2019, 27 June 2019, 19 July 2019, 13 August 2019, 27 August 2019, 3 October 2019, 5 November 2019, 11 November 2019 and 12 November 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. INTEREST ON FOURTH TRANCHE CONSIDERATION

Pursuant to clause 3.1.4 of the SPA, the Fourth Tranche Consideration shall be paid by the Purchaser to the Company on or before 29 October 2019 (“**Original Due Date**”).

The Board wishes to announce that the Company had on 9 December 2019 entered into a second supplemental letter agreement (the “**Second Supplemental Agreement**”) with the Purchaser to amend and supplement the SPA. Except as to the extent varied or amended by the provisions of the Supplemental Agreement and the Second Supplemental Agreement, the terms and conditions of the SPA shall remain in full force and effect.

Pursuant to the Second Supplemental Agreement, it was agreed, *inter alia*, that:

- (a) the Company shall provide the Purchaser up to 4 February 2020 to propose a final settlement plan for acceptance by the Company in relation to the Fourth Tranche Consideration (the “**Settlement Plan**”); subject, however, at all times, to the terms and conditions of the Second Supplemental Agreement, the SPA and the Security Documents and for the avoidance of doubt, acceptance or rejection of the Settlement Plan shall be at the sole discretion of the Company; and
- (b) in consideration of the above, the Purchaser shall pay interest on the Fourth Tranche Consideration from time to time outstanding for the period beginning on the day following the Original Due Date (i.e. 30 October 2019) and ending on the date the Company receives it, at a rate of 6% per annum, accruing on a daily basis (the

"Interest"). Interest accrued shall be immediately payable by the Purchaser on demand by the Company, but:

- (i) if not previously demanded, shall be paid together with the Fourth Tranche Consideration under the Settlement Plan; and
- (ii) the Interest not paid when due may be added to the unpaid balance of the Fourth Tranche Consideration and shall thereafter bear interest at the same rate.

3. FURTHER CONTROLLED SHARES

In consideration of the above, the Purchaser further agrees to grant certain rights of control and sale to the Company in respect of 50,000,000 shares of the Company ("**Further Controlled Shares**") held by the Purchaser, in satisfaction of the Interest amount above. The Parties shall, within seven (7) days of the Second Supplemental Agreement enter into definitive agreements ("**Further Definitive Agreements**") which shall provide *inter alia* as follows:

- (a) the Company shall have complete control over the Further Controlled Shares and the Purchaser will have no access to the Further Controlled Shares;
- (b) the Purchaser shall not sell, transfer or otherwise dispose of (and instruct any nominee(s) thereof, to sell, transfer or otherwise dispose of) all the title and interest in, under and arising out of the Further Controlled Shares (in whole or part);
- (c) the Company or its nominee(s) may, without further notice or authority, sell, dispose of or realize all or any part of the Further Controlled Shares (as the Company may elect and without prejudice to any later exercise of this power) to such transferee(s) at such time or times and in such manner and for such consideration as it in its absolute discretion may think fit; and
- (d) all amounts paid to or received or recovered by the Company or any nominee(s) in exercise of their rights under the Further Definitive Agreements shall be applied in or towards the discharge of the accrued Interest and all costs and expenses (including legal fees on a full indemnity basis) incurred by the Company in connection with the exercise of its rights thereunder, as the Company may in its absolute discretion think fit, with any surplus being paid free of any interest to the Purchaser or any other person who may be entitled to it.

If:

- (a) the Further Definitive Agreements are not entered into within seven (7) days from the date of the Second Supplemental Agreement; or
- (b) the Purchaser fails to propose a Settlement Plan to the Company by 4 February 2020; or
- (c) the Settlement Plan is rejected by the Company (as determined in its sole discretion),

the outstanding Fourth Tranche Consideration and all accrued Interest (the “**Outstanding Amounts**”) shall be immediately due and payable and the Company shall be entitled to enforce all of the Company’s rights against the Purchaser under the Security Documents without further reference to the Purchaser and look to the Purchaser for all costs and expenses incurred on an indemnity basis. The Purchaser and the Company have further agreed that none of the foregoing shall prejudice the Company’s right to receive Interest up to the date of full repayment of the Outstanding Amounts.

4. 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

9 December 2019

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 "SGXST") 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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