

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. – LETTERS OF DEMAND FOR FOURTH TRANCHE CONSIDERATION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to the announcements made on 5 November 2019, 1 May 2020, 22 May 2020, 23 June 2020, 21 August 2020 and 28 August 2020 (the “**Earlier Announcements**”) in relation to, *inter alia*, the SPA for the 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. and the Settlement Definitive Agreements for the Fourth Tranche Consideration.

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

Pursuant to Clause 3.1.4 of the SPA, the Purchaser shall pay to the Company the amount of Singapore Dollars One Million (S\$1,000,000.00) being the Fourth Tranche Consideration on or before 29 October 2019. The Board has informed the shareholders in the Earlier Announcement on 5 November 2019 that the Purchaser has defaulted in the payment of the Fourth Tranche Consideration to the Company in accordance with the provisions of the SPA.

The Settlement Definitive Agreements were subsequently entered into on 23 June 2020 between the Company, the Purchaser, the Guarantor and SBSB for, *inter alia*, the repayment of the Fourth Tranche Consideration. On 21 August 2020, a sum of S\$50,000 has been paid to the Company following the transfer of 50,000,000 Further Controlled Shares by the Purchaser to an independent third party investor. Nonetheless, the outstanding amounts under the Fourth Tranche Consideration remain unpaid, and the Board has informed the shareholders in the Earlier Announcement on 28 August 2020 that an Event of Default has occurred under the Settlement Definitive Agreements, which entitles the Company to enforce all of its rights against the Purchaser and the Guarantor under the SPA and Security Documents.

Given the above, the Company has, in respect of the Fourth Tranche Consideration, served letters of demand on the Purchaser and the Guarantor on 25 September 2020 (the “**Letters of Demand**”). The Letters of Demand have demanded payment of a total sum of S\$950,000, plus accrued interest of S\$48,803.96 of up to 31 August 2020 and extension fee of \$35,000, from the Purchaser and the Guarantor by no later than 21 days from the date of service.

Failing the foregoing, the Company shall commence legal proceedings against the Purchaser and the Guarantor for the recovery of the outstanding amounts.

The Board will make the necessary announcements to update shareholders of any material developments in connection with the same.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

25 September 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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