

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, 12 November 2019, 9 December 2019, 15 December 2019 and 4 February 2020 in relation to, *inter alia*, the conditional sale and purchase agreement (the “**SPA**”) entered into between the Company and Chong Shin Mun (the “**Purchaser**”) 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. (“**GPE**”), 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. PROPOSED SETTLEMENT PLAN

The Board of the Company wishes to announce that following further negotiations between the Purchaser and the Company in relation to the Proposed Final Settlement Plan, the Purchaser had, on 25 February 2020, sought an extension of time up to 30 April 2020 to provide a revised settlement plan (“**Revised Settlement Plan**”) for the Board’s consideration in relation to the Fourth Tranche Consideration (the “**Extension**”). In this regard, the Board wishes to announce that the Company had agreed to the Extension on the considerations stated below and had on 2 March 2020 entered into a third supplemental letter agreement (the “**Third 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, the Second Supplemental Agreement and the Third Supplemental Agreement, the terms and conditions of the SPA shall remain in full force and effect.

In consideration of the Extension, the Purchaser has proposed the following:

- (a) the Purchaser shall pay the amount of S\$50,000 as part payment of the Fourth Tranche Consideration (the “**First Part Payment**”) to be satisfied by the Further Controlled Shares as defined in section 3 of this announcement below;
- (b) the Purchaser shall continue to 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; and

- (c) the Purchaser shall pay an additional S\$5,000 extension fee per month (the “**Extension Fee**”) in addition to the Fourth Tranche Consideration and Interest commencing from the month of February 2020 and up to the date of full repayment of the Fourth Tranche Consideration and Interest.

For the avoidance of doubt, nothing herein shall be construed as a waiver or limitation of the Company’s rights under *inter alia*, the Third Supplemental Agreement, the SPA and the Security Documents, which remain expressly reserved.

In considering whether to grant the Extension to the Purchaser, the Board has taken into consideration the Purchaser’s genuine desire to settle the matter and the fact that the Company has fully recovered the First and Second Tranche Consideration, and a substantial portion of the Third Tranche Consideration, through active and constructive engagement with the Purchaser in the past.

3. FURTHER CONTROLLED SHARES

In consideration of the above, the Purchaser has agreed to grant certain rights of control and sale to the Company in respect of 62,670,000 shares of the Company (“**Further Controlled Shares**”) held by the Purchaser, as consideration for the Extension Fee for February and March 2020 and the First Part Payment above. The Parties shall, within seven (7) days of the Third 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 Fourth Tranche Consideration, Interest, Extension Fee 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 Third Supplemental Agreement; or

- (b) the Purchaser fails to propose a Revised Settlement Plan to the Company by 30 April 2020; or
- (c) the Revised Settlement Plan is rejected by the Company (as determined in its sole discretion),

the outstanding Fourth Tranche Consideration, all accrued Interest and all accrued Extension Fee (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 claim against 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. As of the date of this announcement, the Purchaser has delivered all 62,670,000 Further Controlled Shares in physical scrip to the Company. The Purchaser understands and agrees that the Vendor has no obligation to provide any further extension or to grant any further relaxation, forbearance or indulgence to the Purchaser.

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

2 March 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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