

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

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
REGARDING TRADING ACTIVITY**

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) dated 16 May 2016 (the “**SGX-ST queries**”) in connection with the unusual volume movements in the shares of the Company (the “**Shares**”) today and wishes to respond to the SGX-ST queries as follows:

SGX-ST Query 1:

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 9 in Appendix 7A of the Catalist Rules for further examples.

- If yes, the information shall be announced immediately.

Company’s response:

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the unusual volume movements in the Shares today.

However, the Board wishes to highlight the following corporate actions recently undertaken by the Company:

1. the Company’s circular dated 11 December 2015 on the issuance of 2% redeemable convertible bonds (the “**RCBs**” or the “**RCB Issue**”) due in 2018 in the aggregate principal amount of up to S\$60,000,000 pursuant to a subscription agreement dated 31 July 2015 between the Company and Premier Equity Fund Sub Fund F (the “**Subscriber**”) and its manager, Value Capital Asset Management Private Limited and the allotment and issuance of up to 24,000,000,000 conversion shares (the “**Conversion Shares**”) pursuant to the conversion of the RCBs.
2. The proposed debt conversion and the proposed grant of options to subscribe for Shares in the Company as announced by the Company on 11 February 2016 pursuant to:
 - (i) a debt conversion agreement entered into between the Company and an investor (the “**Investor**”) whereby the Company proposes, that the Investor be granted an option to convert certain debts into an aggregate number of up to 3,504,878,770 Shares in the Company; and
 - (ii) an option agreement entered into between the Company and the Investor whereby the Company proposes, for the aggregate consideration of S\$50,000, to issue to the Investor an aggregate of 5,555,555,555 transferable share options, with each option carrying the right to subscribe for Shares in the Company to raise an amount of up to S\$5,000,000 in aggregate.
3. The Company’s media release announced on 3 May 2016 on the support from the Company’s shareholders for the Group’s restructuring plans and growth strategy at the annual general meeting of the Company held on 29 April 2016. Recently, the Company has completed the following acquisitions/divestments:
 - (i) the acquisitions of shareholding interests in GPE Power Systems Sdn Bhd and Industrial Engineering Systems Pte Ltd as announced by the Company on 1 March 2016 and 27 April 2016, respectively; and

- (ii) the Company's divestments of its non-performing assets as announced by the Company on 17 March 2016 on the disposal of the entire shareholding interests in Industrial Power Technology Pte Ltd and The Think Environmental Co. Sdn. Bhd..

As part of the Company efforts in enhancing long-term value of the Group, the Company regularly reviews strategic business investment opportunities on an ongoing basis and, in connection with this, holds discussions with a range of parties regarding possible transactions, including strategic acquisitions, joint ventures and/or strategic alliances. As at the date of this announcement, save for those already announced by the Company via SGXNET or disclosed in its recent annual report for the financial year ended 31 December 2015, no definitive agreements in relation to any transactions have been entered into by the Company, its subsidiaries or associated companies, and there can be no assurance or certainty that any discussion will be successfully concluded. The Company will make necessary announcements as and when there are any such material developments in compliance with the Catalist Rules.

SGX-ST Query 2:

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's response:

In addition to the Company's response to SGX-ST Query 1 above, the Company noted that the Subscriber, has today, pursuant to the RCB Issue, notified the Company that they have exercised its rights to convert eight (8) RCBs with an aggregate principal value of S\$400,000 which are converted into 500,000,000 Conversion Shares at the issue price of S\$0.0008 per Conversion Share.

Save for the above, the Company is not aware of any other possible explanation for the unusual volume movements in the Shares today.

SGX-ST Query 3:

Can you confirm your compliance with the listing rules and, in particular, Catalist Rule 703?

Company's response:

The Board confirms that the Company is in compliance with the listing rules and, in particular, Catalist Rule 703.

The Board collectively and individually takes responsibility for the accuracy of the aforesaid responses to the SGX-ST queries and confirms after making all reasonable enquiries that, to the best of its knowledge and belief, these responses constitute full and true disclosure of all material facts about the unusual volume movements in the Shares today and the Board is not aware of any facts, the omission of which would make these responses misleading.

By Order Of the Board

Sandra Liz Hon Ai Ling
Executive Director and CEO

16 May 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist.

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

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