

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

- (A) **TERMINATION OF THE SALE AND PURCHASE AGREEMENT DATED 23 DECEMBER 2016 IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN HORIZON GREENTECH RESOURCES SDN BHD**
 - (B) **MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN GREEN PLUSLINK SDN. BHD.**
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1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”), refers to its announcements dated 23 December 2016 (the “**First Announcement**”), 22 March 2017, 31 August 2017, 25 September 2017, 30 October 2017 and 21 December 2017 (together, the “**Announcements**”) in relation to the Company’s entry into a conditional sale and purchase agreement (the “**SPA**”) on the proposed acquisition (the “**Proposed HGR Acquisition**”) of 49.0% of the issued and paid-up share capital of Horizon Greentech Resources Sdn. Bhd. (“**HGR**”).
- 1.2 Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

2. TERMINATION OF THE SPA

- 2.1 The Board wishes to announce that the parties to the SPA have mutually agreed to terminate the SPA with immediate effect pursuant to a deed of termination entered into on 26 March 2018 (“**Termination Deed**”).
- 2.2 The parties have discussed and decided that mutual termination of the SPA would be in the respective best interests of the parties due to the internal restructuring of HGR as further detailed below. Accordingly, the SPA will cease to have any effect, and the parties shall have no further obligations or claims against each other thereunder.

3. TERMINATION NOT EXPECTED TO HAVE ANY MATERIAL IMPACT

The termination of the SPA is not expected have any material effect on the Company’s performance for the financial year ending 31 December 2018. No costs or expenses arising from the termination of the SPA were borne by the Company and the Company shall not bear any liability arising from the termination of the SPA.

4. RESTRUCTURING BETWEEN HGR AND ITS SHAREHOLDERS

- 4.1 As set out in the First Announcement, HGR owns a waste tyre pyrolysis plant located at Tanjong Malim, Perak, West Malaysia (the “**Plant**”). The Plant is equipped with 15 production lines (each a “**Production Line**”), of which five (5) of the Production Lines are owned by HGR. The remaining ten (10) Production Lines belong to its joint venture partner Seri Beskaya Sdn. Bhd. (“**SBSB**”). Awang Ahmad Sah, Kok Mun Keong and SBSB (the “**HGR Shareholders**”) together

with HGR have decided to carry out an internal restructuring as follows (the “**Proposed Restructuring**”):

- (a) on 21 March 2018, the HGR Shareholders entered into a sale and purchase agreement with HGR pursuant to which the HGR Shareholders shall acquire the five (5) Production Lines and the Plant from HGR, and the acquisition has been completed on 22 March 2018; and
- (b) on 23 March 2018, the HGR Shareholders entered into a non-binding memorandum of understanding (“**GPL MOU**”) with Green Pluslink Sdn. Bhd. (“**GPL**”) pursuant to which GPL shall acquire all of the 15 Production Lines and the Plant from the HGR Shareholders. As consideration for the acquisition, GPL shall issue an aggregate of 10,400,000 ordinary shares in GPL to each of the HGR Shareholders such that following the proposed acquisition contemplated under the GPL MOU, the shareholding structure of GPL shall be as follows:

<u>Shareholder</u>	<u>No. of Shares in GPL</u>	<u>Percentage</u>
Awang Ahmad Sah	2,600,000	16.67%
Kok Mun Keong	2,600,000	16.67%
Seri Beskaya Sdn. Bhd.	5,200,000	33.33%
Terokadana Sdn. Bhd	5,200,000	33.33%

5. MEMORANDUM OF UNDERSTANDING

- 5.1 Pursuant to the Proposed Restructuring and the termination of the SPA, the Company wishes to announce that it, has on 26 March 2018, entered into a non-binding memorandum of understanding (the “**MOU**”) with each of (i) Awang Ahmad Sah and (ii) Kok Mun Keong (together, the “**GPL Vendors**”) pursuant to which the Company shall acquire an aggregate of 4,023,300 ordinary shares (the “**GPL Sale Shares**”) representing approximately 25.79% of the issued and paid-up share capital of GPL (the “**Proposed GPL Acquisition**”), and the Company and the GPL Vendors shall be referred to collectively as the (“**Parties**”).
- 5.2 The shareholding structure of GPL before and after the Proposed GPL Acquisition is set out below:

<u>Shareholder</u>	<u>Before the Proposed GPL Acquisition</u>		<u>After the Proposed GPL Acquisition</u>	
	<u>No. of Shares</u>	<u>Percentage</u>	<u>No. of Shares</u>	<u>Percentage</u>
Awang Ahmad Sah	2,600,000	16.67%	588,350	3.77%
Kok Mun Keong	2,600,000	16.67%	588,350	3.77%
Seri Beskaya Sdn. Bhd.	5,200,000	33.33%	5,200,000	33.33%
The Company	0	0%	4,023,300	25.79%

Terokadana Sdn. Bhd.	5,200,000	33.33%	5,200,000	33.33%
Total	15,600,000	100%	15,600,000	100%

- 5.3 The Proposed GPL Acquisition constitutes a disclosable transaction as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) as the relative figures under Rule 1006(c) exceed 5.0% but do not exceed 75.0%.

6. INFORMATION ON THE PROPOSED GPL ACQUISITION

- 6.1 GPL is a private company limited by shares incorporated in Malaysia on 21 November 2003. The current shareholding of GPL is set out in Section 5.2 above. As set out in Section 4 of this announcement, GPL shall be acquiring from each of the HGR Shareholders all of their title and interests in the 15 Production Lines and the Plant. GPL is principally engaged in the business of extrusion and recycling of end-of-life waste tyres for the production of tyre derived fuel, carbon black and scrap metal and as at the date of this announcement owns three (3) waste tyre pyrolysis production lines currently operating out of Port Klang, Malaysia.
- 6.2 Further information on the GPL Vendors is set out under Section 2.2 of our First Announcement.

7. RATIONALE FOR THE PROPOSED GPL ACQUISITION

- 7.1 As set out in Section 4 above, the 15 Production Lines previously operated by HGR will, following the completion of the Proposed Restructuring, be owned and operated solely by GPL. As such, the Proposed GPL Acquisition continues to be in line with the corporate strategy of the Group to diversify its business to include the recycling, renewable and green technology business as announced in our First Announcement. The combination of the 15 Production Lines to be acquired from the HGR Shareholders with its existing three (3) waste tyre pyrolysis production lines, which GPL will relocate and operate out of the Plant following completion of the Proposed Restructuring, will also allow GPL better economies of scale in its operations.
- 7.2 Further details of the rationale for such diversification into the waste tyre pyrolysis business have been set out under Section 3 of the First Announcement.
- 7.3 The Company has further considered GPL’s proven track record in the business of waste tyre pyrolysis. GPL has also been awarded the “Green Project Certificate” issued by Ministry of Energy, Green Technology and Water of Malaysia.
- 7.4 Having considered the terms of the Proposed GPL Acquisition and based on the benefits of the Proposed GPL Acquisition to the Group, the Directors are of the view that the Proposed GPL Acquisition is in the best interests of the Company.

8. PRINCIPAL TERMS OF THE PROPOSED GPL ACQUISITION

The Term Sheet is non-binding until a definitive agreement is signed by the Parties (the “**Definitive Agreement**”). Subject to the Definitive Agreement it is envisaged that the key terms of the Proposed GPL Acquisition shall be as follows:

8.1 Consideration

The aggregate consideration for the purchase of the GPL Sale Shares shall be the sum of up to SGD4,200,000 (the “**GPL Consideration**”), which shall be satisfied by a mixture of issuance of ordinary shares in the capital of the Company (“**Consideration Shares**”) and promissory notes, depending on the structure to be agreed between the Parties under the Definitive Agreement. The GPL Consideration has been arrived at based on a willing buyer willing seller basis.

8.2 Conditions Precedent

Completion of the Proposed GPL Acquisition (“**Completion**”) is conditional upon, *inter alia*, the following conditions (“**Conditions Precedent**”) being satisfied or waived (as the case may be) on or before Completion:

- (a) the completion of the legal, financial and commercial due diligence conducted by the Company in respect of the accounts, assets, personnel and businesses of GPL and the results of such due diligence being satisfactory in the reasonable opinion to the Company;
- (b) approval of the Proposed GPL Acquisition by the Board and shareholders (if necessary) of the Company;
- (c) GPL having acquired all of the necessary approval and licenses from the relevant authorities for the conduct of its business and the operations of all 18 waste tyre pyrolysis production lines and the Plant;
- (d) the completion of the transactions contemplated under the GPL MOU;
- (e) the allotment and issuance of, the Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore or in any other jurisdiction affecting the GPL Vendors;
- (f) all necessary consents, approvals and waivers being granted for all transactions contemplated under the Definitive Agreement, not being withdrawn or revoked by third parties, including without limitation, government bodies, stock exchange and other relevant authorities having jurisdiction over the transactions contemplated under the Definitive Agreement, and if such approvals, consents and waivers are obtained subject to any conditions and where such conditions affect any party, such conditions being acceptable to the party concerned, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion;
- (g) the receipt of listing and quotation notice in respect of the Consideration Shares on the Catalist of the Singapore Exchange Securities Trading Limited being obtained; and
- (h) that there has been no Material Adverse Change, or events, acts or omissions likely to lead to a Material Adverse Change to the business, operations, assets, financial condition, turnover or prospects of the GPL and/ or the Company. “Material Adverse Change” as defined in the MOU means any event, circumstance, effect, occurrence or state of affairs or any combination of them which is, or is reasonably likely to be,

materially adverse to the business, operations or financial condition of GPL or the Company, as the case may be, taken as a whole.

8.3 Completion

The date for Completion will be determined by the Definitive Agreement to be entered into by the Parties.

9. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As at the date of this announcement, none of the Directors has any interest, direct or indirect, in the Proposed GPL Transaction and the termination of the SPA, and as far as the Directors are aware, none of substantial shareholders of the Company has any interest, direct or indirect, in the Proposed GPL Transaction and the termination of the SPA (save through their respective shareholdings in the Company).

10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed GPL Acquisition, the termination of the SPA, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. **DOCUMENTS FOR INSPECTION**

Copies of the MOU and the Termination Deed are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 1 Raffles Place #18-61 Tower 2, Singapore 048616 for a period of three (3) months from the date of this announcement.

12. **CAUTIONARY STATEMENT**

- 12.1 The Company will make the necessary follow-up announcements if there any material developments relating to the Proposed GPL Acquisition.
- 12.2 Further, Shareholders of the Company should note that the Proposed GPL Acquisition is subject to the Parties entering into the Definitive Agreement, and other conditions (including the Conditions Precedent). There is no certainty or assurance as at the date of this announcement that the Parties will be able to enter into the Definitive Agreement, or that the Proposed GPL Acquisition will be completed, or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in trading their shares.

- 12.3 Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

26 March 2018

*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 Singapore Exchange Securities Trading Limited ("**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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