

ANNICA HOLDINGS LIMITED
(Company Registration Number 198304025N)
(Incorporated in the Republic of Singapore)

**THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO
INCLUDE THE RECYCLING BUSINESS, RENEWABLE ENERGY BUSINESS, GREEN
TECHNOLOGY BUSINESS AND COMPLEMENTARY TECHNOLOGY BUSINESS**

1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group is proposing to diversify its existing core business (the “**Current Core Business**”) to include the New Businesses (as defined below), as and when appropriate opportunities arise (the “**Proposed Diversification**”):

- (a) recycling and waste management, which includes the extraction and/or harvesting of waste products, and the supply of the by-products and recycled materials from waste products like used tires, such as oil, carbon black and other materials that can be used for energy, power generation, manufacturing, and other alternative purposes (the “**Recycling Business**”);
- (b) the production and supply of renewable energy, including the supply, distribution, trading and/or operating of equipment and technology used for the production of renewable energy and other sustainable energy sources (the “**Renewable Energy Business**”);
- (c) environmentally friendly technological solutions that brings innovative and sustainable solutions to business and end-consumers, ranging from the agricultural industry to the construction industry (the “**Green Technology Business**”); and
- (d) certain other technology businesses that are complementary to abovementioned Recycling Business, Renewable Energy Business and Green Technology Business (the “**Complementary Technology Business**”)

(collectively, the “**New Businesses**”).

The Group may also, as part of the New Businesses, invest in or dispose of shares or interests in any entity that is in the New Businesses.

The Company does not plan to restrict the New Businesses to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises.

2. RATIONALE

The Company proposes to expand its Current Core Business to include that of the New Businesses as the Directors believe that the Proposed Diversification will reduce the Group's reliance on its Current Core Business, offer new business opportunities, provide the Group with additional and recurrent revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company. In addition, the Proposed Diversification may potentially offer the Group new business opportunities and revenue streams and reduce reliance on the Group's Current Core Business for its revenue streams.

3. SHAREHOLDERS' APPROVAL

The Proposed Diversification will involve a new business which is different from the Current Core Business and is envisaged that this will change the existing risk profile of the Group. Pursuant to the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, Shareholders' approval is required for the Proposed Diversification. Accordingly, an extraordinary general meeting ("**EGM**") will be convened by the Company to seek approval from Shareholders for the Proposed Diversification.

4. CIRCULAR TO SHAREHOLDERS

The circular containing further details of the Proposed Diversification, together with a notice of EGM in connection therewith, will be despatched to Shareholders in due course.

5. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that the Proposed Diversification will be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

By Order of the Board
ANNICA HOLDINGS LIMITED

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

8 August 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 Catalyst.*

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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