

ANNICA HOLDINGS LIMITED

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

THE PROPOSED DEBT CONVERSION AND THE PROPOSED GRANT OF OPTIONS TO SUBSCRIBE FOR SHARES IN ANNICA HOLDINGS LIMITED

- SUPPLEMENTAL DEED TO THE OPTION AGREEMENT

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Annica Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to its announcement dated 11 February 2016 (the “**Previous Announcement**”) in relation to the Company’s entry into a debt conversion agreement (the “**Debt Conversion Agreement**”) and an option agreement (the “**Option Agreement**”), both dated 11 February 2016, with Mr. Lim In Chong (the “**Investor**”).

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

Pursuant to the terms and conditions of the Debt Conversion Agreement, the Company has agreed to grant the Investor an aggregate number of up to 3,504,878,770 conversion shares (the “**Conversion Shares**” and each a “**Conversion Share**”) at a conversion price of S\$0.001 per Conversion Share.

Under the terms and conditions of the Option Agreement, the Company shall grant, and the Investor shall acquire, transferable share options (“**Options**” and each an “**Option**”) with each Option carrying the right to subscribe for shares in the capital of the Company (“**Shares**”, and each a “**Share**”).

The Board wishes to announce that the Company and the Investor have, in respect of the Option Agreement, entered into a supplemental deed dated 6 June 2016 (the “**Option Agreement Supplemental Deed**”) to modify, amend and vary certain terms and conditions of the Option Agreement.

Save for the amendments made to the Option Agreement as set out in this Announcement, all the relevant terms and conditions of the Option Agreement as well as the Debt Conversion Agreement are set out in the Previous Announcement.

2. AMENDMENTS TO THE OPTION AGREEMENT

2.1 Pursuant to the Option Agreement Supplemental Deed, the amendments to the Option Agreement are as follows:

(i) The number of Options that the Company wishes to grant and Subscriber wishes to acquire under Recital (B) of the Option Agreement which is reproduced below:

“The Company wishes to grant, and the Subscriber wishes to acquire, 5,555,555,555 share options, with each option carrying the right to subscribe for one new ordinary share in the capital of the Company for the Exercise Price (as defined below) subject to the terms and conditions of this Agreement”,

shall be amended by deleting and/or inserting the following words in Recital (B) of the Option Agreement, such that Recital (B) of the Option Agreement shall read as follows (with the relevant amendments as underlined and italicized below):

"The Company wishes to grant, and the Subscriber wishes to acquire, ~~5,555,555,555~~ up to 5,000,000,000 share options, with each option carrying the right to subscribe for one new ordinary share in the capital of the Company for the Exercise Price (as defined below) subject to the terms and conditions of this Agreement";

- (ii) the definition of "Conditions" under Clause 1.1 of the Option Agreement shall be amended by replacing the words "Clause 3.1" with "Clause 4.1";
- (iii) The number of Options that the Company has agreed to grant and Subscriber has agreed to acquire under Clause 2.1 of the Option Agreement which is reproduced below:

"Subject to the terms and conditions of this Agreement, the Company has agreed to grant, and the Subscriber has agreed to acquire, 5,555,555,555 transferable share options (the '**Options**') for the consideration of S\$50,000, with each Option carrying the right to subscribe for one (1) new Share (the '**New Share**') at the Exercise Price (the '**Grant of Options**')",

shall be amended by deleting and/or inserting the following words in Clause 2.1 of the Option Agreement, such that Clause 2.1 of the Option Agreement shall read as follows (with the relevant amendments as underlined and italicized below):

"Subject to the terms and conditions of this Agreement, the Company has agreed to grant, and the Subscriber has agreed to acquire, ~~5,555,555,555~~ up to 5,000,000,000 transferable share options (the '**Options**') for the consideration of S\$50,000, with each Option carrying the right to subscribe for one (1) new Share (the '**New Share**') at the Exercise Price (the '**Grant of Options**')";

- (iv) the definition of "Minimum Exercise Price" under Clause 1 of the Appendix to the Option Agreement which is reproduced below:

" '**Minimum Exercise Price**' means S\$0.0009 or such other sum as may be adjusted from time to time in accordance to these Conditions",

shall be amended by deleting and/or inserting the following words in Clause 1 of the Appendix to the Option Agreement, such that the definition of "Minimum Exercise Price" shall read as follows (with the relevant amendments as underlined and italicized below):

" '**Minimum Exercise Price**' means ~~S\$0.0009~~ S\$0.001 or such other sum as may be adjusted from time to time in accordance to these Conditions, provided always that any such adjustments shall not result in the Minimum Exercise Price falling below S\$0.001"; and

- (v) the definition of "Options" under Clause 1 of the Appendix to the Option Agreement which is reproduced below:

" '**Options**' means the 5,555,555,555 share options issued by the Company pursuant to the Option Agreement, including, where the context admits, any further share options as may be required or permitted to be issued in accordance with Condition 4, and for the time being unexercised, and each an '**Option**'",

shall be amended by deleting and/or inserting the following words in Clause 1 of the Appendix to the Option Agreement, such that the definition of "Options" shall read as follows (with the relevant amendments as underlined and italicized below):

“ **Options** ” means the ~~5,555,555,555~~ up to 5,000,000,000 share options issued by the Company pursuant to the Option Agreement (*as supplemented, modified and varied by the Option Agreement Supplemental Deed*), including, where the context admits, any further share options as may be required or permitted to be issued in accordance with Condition 4, and for the time being unexercised, and each an ‘**Option**’”.

- 2.2 Pursuant to the terms and conditions of the Option Agreement (as supplemented, modified and amended by the Option Agreement Supplemental Deed), the Company shall grant, and the Investor shall acquire, up to 5,000,000,000 Options for an aggregate cash consideration of S\$50,000, with each Option carrying the right to subscribe for one (1) new Share (“**Option Share**”) at the Exercise Price (as defined below).

The Options shall be granted to the Investor on completion of the Option Agreement (as supplemented, modified and amended by the Option Agreement Supplemental Deed), on, *inter alia*, the terms and conditions as set out in the Previous Announcement, and on the following amended terms pursuant to the Option Agreement Supplemental Deed:

- Number of Options** : Up to 5,000,000,000 Options.
- Exercise Price** : 90.0% of the average volume weighted average price (the “**VWAP**”) per Share of the ordinary Shares for trades done on the SGX-ST for the five (5) market day period prior to the date for which an Option holder shall subscribe for Option Shares upon exercise of an Option, provided always that the Exercise Price shall not be lower than the Minimum Exercise Price.
- Minimum Exercise Price** : S\$0.001, or such other sum as may be adjusted from time to time in accordance with the terms and conditions of the Options (as set out in the Option Agreement, as supplemented, modified and varied by the Option Agreement Supplementary Deed), provided always that any such adjustments shall not result in the Minimum Exercise Price falling below S\$0.001.
- Estimated Gross Proceeds** : S\$5,000,000 (assuming the exercise of all the Options and subscription for all the Option Shares at the Minimum Exercise Price).

- 2.3 The Share price representing a discount of 10.0% to the VWAP of S\$0.001 of the Shares for trades done on the Catalist on 5 February 2016, being the last full market day on which the Shares were traded prior to the date of the Option Agreement, is S\$0.0009. As such, in accordance with the Option Agreement Supplemental Deed, the Minimum Exercise Price of the Options shall be S\$0.001.

3. EXTRAORDINARY GENERAL MEETING

3.1 Shareholders’ Approval

As previously announced in the Previous Announcement, the Company intends to seek the approval of Shareholders at an extraordinary general meeting (“**EGM**”) to be convened for the allotment and issuance of the Conversion Shares and the Option Shares. A circular to Shareholders containing more information on the Debt Conversion Agreement and Option Agreement (as supplemented, modified and varied by the Option Agreement Supplemental Deed), *inter alia*, the financial effects of the above transactions and the notice of EGM, will be despatched to Shareholders in due course.

3.2 Proportion of the Conversion Shares and Option Shares

The effect of the Conversion Shares and the Option Shares, to be issued in accordance with the terms and conditions of the Debt Conversion Agreement and Option Agreement (as supplemented, modified and varied by the Option Agreement Supplemental Deed), expressed as a percentage as compared to issued Shares of the Company, are as follows:

	Existing Share Capital		Assuming the issuance of the maximum Conversion Shares		Assuming the issuance of the maximum Conversion Shares and the maximum Option Shares	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽³⁾
Existing Share Capital	6,614,485,206	100	6,614,485,206	65	6,614,485,206	44
Maximum number of Conversion Shares	3,504,878,770	53	3,504,878,770	35	3,504,878,770	23
Maximum number of Option Shares	5,000,000,000	76	-	-	5,000,000,000	33
Total number of Shares held by the Investor	8,504,878,770	129	3,504,878,770	35	8,504,878,770	56

Notes:

- (1) Based on the existing share capital of the Company as at the date of this Announcement of 6,614,485,206 Shares (the "Existing Share Capital").
- (2) Based on 10,119,363,976 Shares, being the aggregate of the Existing Share Capital and assuming that the maximum of 3,504,878,770 Conversion Shares had been issued.
- (3) Based on 15,119,363,976 Shares, being the aggregate of the Existing Share Capital and assuming that the maximum of 3,504,878,770 Conversion Shares had been issued and the maximum of 5,000,000,000 Options were being exercised.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial shareholders of the Company has any interest (other than their respective shareholding in the Company), direct or indirect, in the transactions set out in this Announcement or in the Investor.

5. APPLICATION TO THE SGX-ST

The Company will be making an application through the continuing sponsor of the Company, Stamford Corporate Services Pte. Ltd. ("**Sponsor**"), to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Conversion Shares and the Option Shares on the Catalist. The Company will make the necessary announcements upon the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Conversion Shares and the Option Shares on the Catalist.

6. DOCUMENTS FOR INSPECTION

Copies of the Debt Conversion Agreement, Option Agreement and the Option Agreement Supplemental Deed may be inspected at the registered office of the Company at 1 Raffles Place, #18-61 Tower 2, Singapore 048616, during normal business hours for a period of three (3) months from the date of this Announcement.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirms 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 transactions set out in this Announcement and the Group, and the Board is 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 Board 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.

8. CAUTION IN TRADING

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders 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
6 June 2016

This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd., 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 and correctness of any of the statements or opinions made or reports contained in this Announcement.

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