

CIRCULAR DATED 13 SEPTEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Annica Holdings Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Company is a sponsored company listed on the Catalist board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Continuing Sponsor, Stamford Corporate Services Pte Ltd (the “Sponsor”) for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular and the Circular has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Bernard Lui (Tel: 6389 3000 or email: bernard.lui@morganlewis.com)

ANNICA HOLDINGS LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED DISPOSAL OF 350,000 ISSUED AND PAID UP ORDINARY SHARES IN
THE SHARE CAPITAL OF GPE POWER SYSTEMS (M) SDN. BHD.**

Important Dates and Times

- Last date and time for lodgement of Proxy Form : 26 September 2018 at 10 a.m.
- Date and time of Extraordinary General Meeting : 28 September 2018 at 10 a.m.
- Place of Extraordinary General Meeting : The Village Hotel Katong,
25 Marine Parade,
Singapore 449536

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DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout:

Parties, Entities and Organisations

“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Annica Holdings Limited
“CPF”	:	Central Provident Fund
“Group”	:	The Company and its subsidiaries from time to time
“GPE”	:	GPE Power Systems (M) Sdn. Bhd.
“Guarantor”	:	Tan Yock Chew
“Purchaser”	:	Chong Shin Mun
“SBSB”	:	Seri Beskaya Sdn. Bhd. (Company Registration Number 1161812-D), a company incorporated under the laws of Malaysia and having its registered office at 19-3, Jalan Tasik Selatan 3, Bandar Tasik Selatan, Kuala Lumpur, Wilayah Persekutuan
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	The continuing sponsor of the Company, Stamford Corporate Services Pte. Ltd.

General

“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Catalist”	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“Circular”	:	This circular to Shareholders dated 13 September 2018
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Directors”	:	The directors of the Company as at the Latest Practicable Date and “ Director ” shall be construed accordingly
“EGM”	:	The extraordinary general meeting of the Company to be convened and held on 28 September 2018 at 10 a.m. at The Village Hotel Katong, 25 Marine Parade, Singapore 449536, notice of which is set out on pages N-1 to N-2 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	A financial year ended or ending 31 December, as the case may be
“Latest Practicable Date”	:	10 September 2018, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Notice of EGM”	:	The notice of the EGM which is set out on pages N-1 to N-2 of this Circular
“NTA”	:	Net tangible assets
“Proposed Disposal”	:	Proposed disposal of by the Company of the Sale Shares upon the terms and subject to the conditions of the SPA
“Proxy Form”	:	Has the meaning ascribed thereto in <u>Section 9</u> of this Circular
“Register of Members”	:	Register of members of the Company
“Resolution”	:	The ordinary resolution set out in the Notice of EGM
“Sale Shares”	:	350,000 issued and paid up ordinary shares representing 70% of the total issued and paid-up share capital of GPE
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGXNET”	:	The system maintained by the SGX-ST for announcements by listed companies
“Share”	:	An ordinary share in the capital of the Company, and “Shares” shall be construed accordingly
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“SPA”	:	The conditional sale and purchase agreement dated 26 July 2018 between the Company and the Purchaser in relation to the Proposed Disposal
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than 5.0% of the issued shares of a company

Currencies and Units of Measurements

“%”	:	Per cent or percentage
“RM”	:	Malaysia ringgit, being the lawful currency of Malaysia
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The terms “**acting in concert**” and “**concert parties**” shall have the meanings ascribed to them in the Code.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code and the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA, the Code and the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that Depositor.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group’s actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group’s actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

ANNICA HOLDINGS LIMITED

(Incorporated in Singapore)
(Unique Entity Number: 198304025N)

Directors:

Ong Su Aun Jeffrey (*Acting Independent and Non-Executive Chairman*)
Sandra Liz Hon Ai Ling (*Executive Director and Chief Executive Officer*)
Nicholas Jeyaraj s/o Narayanan (*Non-Independent and Non-Executive Director*)
Su Jun Ming (*Lead Independent and Non-Executive Director*)
Adnan Bin Mansor (*Independent and Non-Executive Director*)
Lim In Chong (*Non-Independent and Non-Executive Director*)

Registered Office:

1 Raffles Place
#18-61 Tower 2
Singapore 048616

13 September 2018

To: The Shareholders of Annica Holdings Limited

Dear Sir / Madam,

THE PROPOSED DISPOSAL OF 350,000 ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF GPE POWER SYSTEMS (M) SDN. BHD.

1. INTRODUCTION

1.1 Background

- 1.1.1 On 26 July 2018, the Company announced that it had entered into the SPA with the Purchaser to dispose of 350,000 issued and paid up ordinary shares, representing 70% of the total issued and paid up share capital, of GPE on the terms and subject to the conditions of the SPA. The consideration for the Sale Shares of S\$2,000,000 shall be paid in instalments in accordance with the payment terms of the SPA. Please see [section 3.1.1](#) below for details of the instalment payments.
- 1.1.2 As the Sale Shares represent the entire interest of the Company in GPE, the Company will cease to have any interest in GPE and GPE will cease to be a subsidiary of the Company following the completion of the Proposed Disposal.
- 1.1.3 On the basis of Rule 1006 of the Catalist Rules, the Proposed Disposal is classified as a “discloseable transaction” subject to Rule 1010 of the Catalist Rules. However, pursuant to Rule 1007 of the Catalist Rules (which provides that if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Catalist Rules may still be applicable at the discretion of SGX-ST, and that issuers should consult SGX-ST). In light of the relative figure computed under Rule 1006(b) being a negative figure, the Company has, through its Sponsor, sought guidance from the SGX-ST on whether shareholders’ approval will be required for the Proposed Disposal. Upon consultation with the Sponsor and the SGX-ST, the Proposed Disposal shall be subject to the approval of Shareholders at the upcoming extraordinary general meeting of the Company.

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with all necessary information relating to the Proposed Disposal, and to seek Shareholders’ approval for the same at the EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

LETTER TO SHAREHOLDERS

1.3 The Sponsor and the SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

2. INFORMATION ON THE PROPOSED DISPOSAL

2.1 Information on GPE

2.1.1 GPE was incorporated in Malaysia on 10 August 1999. It has an issued and paid-up share capital of RM500,000 divided into 500,000 ordinary shares of RM1.00 each. Prior to the Proposed Disposal, the Company and the Purchaser held 70% and 30% shareholding interest in GPE respectively.

2.1.2 GPE provides complete power generation solutions from sales and rental of power generators and a wide range of support services such as factory performance tests, reconditioning and repairing of generators and sales of related components, spare parts and accessories.

2.2 Information on the Purchaser

2.2.1 The Purchaser is the legal and beneficial owner of the remaining 30.0% of the total issued share capital of GPE not held by the Company prior to the Proposed Disposal and is also a director of GPE. The Purchaser is also a Substantial Shareholder of the Company and holds as at the Latest Practicable Date, 6.65% of the total issued share capital of the Company.

2.2.2 Save as set out above, there is no relationship between the Purchaser, the Company and the Company's Directors and management or, to the best of the Company's knowledge, the Company's Substantial Shareholders.

2.3 Rationale for the Proposed Disposal

2.3.1 The disposal of GPE would enable the Group to focus its resources and time in developing its new diversified business segments in, *inter alia*, the renewable energy and recycling businesses. As an investment holding company, the disposal of GPE is a good opportunity for the Group to realise its investment and increase the Group's cash resources for new investment opportunities in these new business segments.

2.3.2 As the business carried on by GPE is not the core business of the Group, the Proposed Disposal will not materially change the nature and risk profile of the Group's business.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1 Consideration

3.1.1 The aggregate consideration for the purchase of the Sale Shares shall be the sum of S\$2,000,000 (the "**Consideration**"), which shall be satisfied in full in the following manner:

- (a) S\$200,000, to be paid to the Company by 31 July 2018 ("**First Tranche Consideration**");
- (b) S\$200,000, to be paid to the Company on Completion (as defined below);
- (c) S\$600,000, to be paid to the Company on or before 31 December 2018 (the "**Third Tranche Consideration**"); and
- (d) S\$1,000,000, to be paid to the Company on or before the first (1st) anniversary of the Completion Date (the "**Fourth Tranche Consideration**"),

LETTER TO SHAREHOLDERS

(the Third Tranche Consideration and the Fourth Tranche Consideration shall together be referred to as the “**Balance Consideration**”).

3.1.2 The Consideration of S\$2,000,000 represents a 108.3% premium above GPE's attributable NTA of RM2,906,381 or approximately S\$960,091 as at FY2017. The Consideration is also 8.8% above the Company initial investment cost of S\$1,837,500. The Consideration has been derived based on willing-buyer-willing-seller negotiations between the Purchaser and the Company.

3.1.3 The net proceeds from the Proposed Disposal of GPE will be redirected to funding of the renewable energy business. Any unutilized proceeds can be directed towards the working capital of the Company and may be deployed for other purposes i.e. the proposed recycling business acquisition.

3.2 Security

As continuing security for the payment of the Balance Consideration together with all other costs, charges and expenses (including legal and other fees on a full indemnity basis) incurred by the Company in relation to the Purchaser (the “**Secured Indebtedness**”), the Purchaser shall procure the Guarantor to provide the Company with:

3.2.1 a first fixed charge over 21,875 ordinary shares, fully paid, of SBSB, representing 14.58% of its entire issued share capital, held by the Guarantor (the “**Share Charge**”); and

3.2.2 a personal guarantee in favour of the Company (“**Personal Guarantee**”) up to the amount of the Secured Indebtedness.

3.3 Completion

Completion of the Proposed Disposal (“**Completion**” and the date of Completion, the “**Completion Date**”) shall take place not later than fourteen (14) Business Days after all the conditions precedent set out in the SPA (to the extent not waived by the relevant party), are fulfilled.

3.4 Conditions Precedent

The Completion of the Proposed Disposal is conditional upon, *inter alia*, the following matters being fulfilled on or before the date of Completion (“**Conditions**”):

3.4.1 the Purchaser's and Company's warranties under the SPA being true in all material respects on and as of the Completion Date with the same force and effect as though made on and as of the Completion Date;

3.4.2 the Purchaser having procured the Share Charge and the Personal Guarantee in a form and on such terms satisfactory to the Company in its sole and absolute discretion;

3.4.3 all the following being obtained and being in full force and effect:

(a) all necessary approvals, consents and waivers of the Sponsor and/ or the SGX-ST (including approval for this Circular) necessary to complete the Proposed Disposal and all transactions contemplated under the SPA being obtained, and if such approvals, consents and waivers are obtained subject to any conditions and where such conditions affect the Company, such conditions being acceptable to the Company, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion; and

(b) the approval of the Company's shareholders at the EGM to complete the Proposed Disposal and all transactions contemplated under the SPA;

LETTER TO SHAREHOLDERS

3.4.4 the parties having procured all consents, approvals and waivers from third parties, necessary for all transactions contemplated under the SPA, including without limitation, from government bodies, stock exchange and other relevant authorities having jurisdiction over the transactions contemplated under the SPA (“**Consents**”) within the responsibility of the relevant party to procure, and such Consents are not being withdrawn or revoked, and if such Consents are obtained subject to any conditions and where such conditions affect a party, such conditions being acceptable to the affected party, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion; and

3.4.5 the delivery to the Company in full of the First Tranche Consideration by the Purchaser.

4. THE PROPOSED DISPOSAL AS A DISCLOSEABLE TRANSACTION

4.1 Based on the latest announced audited consolidated financial statement of the Group for the six-month financial period ended 30 June 2018 (“**HY2018**”), the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are calculated as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group’s net asset value ⁽¹⁾	20.6
Rule 1006(b)	Net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group’s net loss ⁽³⁾	(33.7)
Rule 1006(c)	Consideration received for the Proposed Disposal compared with the Company’s market capitalisation ⁽⁴⁾	13.7
Rule 1006(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves	Not applicable ⁽⁶⁾

Notes:

- (1) Based on GPE’s attributable net asset value of approximately S\$1,178,047 compared with the Group’s net asset value of S\$5,725,000.
- (2) Under Rule 1002(3) of the Catalist Rules, “net profits” means profit or loss before income tax, minority interests and extraordinary items.
- (3) Based on GPE’s attributable net profit of approximately S\$265,460, compared with the Group’s net loss of S\$788,000.
- (4) Based on the Consideration of S\$2,000,000 and the Group’s market capitalisation of S\$14,645,099. The market capitalisation of the Company was determined by multiplying the number of total issued Shares, being 14,645,099,267 Shares (excluding treasury shares) by S\$0.001 (being the volume-weighted average traded price of such Shares on 25 July 2018, being the weighted average price per share traded on a market day preceding the date of the SPA) (Source: www.shareinvestor.com).
- (5) This is not applicable to a disposal of assets.
- (6) This is not applicable as the Company is not a mineral, oil and gas company

On the basis of Rule 1006 above, the Proposed Disposal is only a “discloseable transaction” as defined under Rule 1010 of the Catalist Rules. However, as mentioned in [Section 1.1.3](#) above, in light of the relative figure computed for Rule 1006(b) being a negative figure, and upon consultation with the Sponsor and the SGX-ST, the Proposed Disposal shall be subject to the approval of Shareholders at the upcoming extraordinary general meeting of the Company.

LETTER TO SHAREHOLDERS

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposal taken as a whole are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Disposal.

5.1 Net Tangible Assets

Assuming that the Proposed Disposal was completed on 31 December 2017 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2017 ("FY2017"), the pro forma financial effects of the Proposed Disposal on the consolidated NTA of the Group are as follows:

	As at 31 December 2017	
	NTA of the Group (S\$'000)	NTA per share ⁽¹⁾ (S\$ cents)
Before the Proposed Disposal	4,176	0.029
After the Proposed Disposal	4,341	0.030

Note:

(1) Based on the current number of shares in the Company i.e. 14,645,099,267 shares.

5.2 Loss Per Share

Assuming that the Proposed Disposal had been completed on 1 January 2017 and based on the Group's audited consolidated financial statements for FY2017, the pro forma financial effects of the Proposed Disposal on the consolidated LPS of the Group are as follows:

	As at 31 December 2017	
	Losses of the Group (S\$'000)	LPS per share ⁽¹⁾ (S\$ cents)
Before the Proposed Disposal	(1,413)	(0.012)
After the Proposed Disposal	(1,453)	(0.012)

Note:

(1) Based on weighted average number of shares as at 1 January 2017, assuming any issue of shares in the Company from 1 January 2017 to the date hereof has been included.

5.3 Other Financial Information

5.3.1 Based on the latest announced audited financial statements of the Group for FY2017, the net asset value and net tangible asset value attributable to the Sale Shares is RM2,906,381 (approximately S\$960,091⁽¹⁾). No valuation was done in respect of the Sale Shares to be disposed under the SPA.

5.3.2 The book value of the Sale Shares as at FY2017 amounts to S\$1,837,500. The excess of the proceeds from the Proposed Disposal over the book value of the Sale Shares is approximately S\$162,500.

5.3.3 The net profit attributable to the Sale Shares as at FY2017 is S\$204,441. Assuming the Proposed Disposal had been completed on 31 December 2017, the Group would recognize a gain on disposal of approximately S\$20,000 at the Group level based on the net book value represented by the Sale Shares as at 31 December 2017.

Note:

(1) Based on an exchange rate of RM3.027: S\$1.

LETTER TO SHAREHOLDERS

5.4 Share Capital

The Proposed Disposal has no impact to the Company's issued share capital.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests of the Directors and Substantial Shareholders in the Shares

The interests of the Directors and Substantial Shareholders' in the Shares as at the Latest Practicable Date, based on the Company's register of interest of Directors and register of Substantial Shareholders respectively, are as follows:

	Before the Proposed Disposal				After the Proposed Disposal			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Ong Su Aun Jeffrey	-	-	-	-	-	-	-	-
Sandra Liz Hon Ai Ling	-	-	-	-	-	-	-	-
Nicholas Jeyaraj s/o Narayanan	-	-	-	-	-	-	-	-
Su Jun Ming	-	-	-	-	-	-	-	-
Adnan Bin Mansor	-	-	-	-	-	-	-	-
Lim In Chong	3,504,878,770	23.93	-	-	3,504,878,770	23.93	-	-
Substantial Shareholders (other than Directors)								
Lim In Chong	3,504,878,770	23.93	-	-	3,504,878,770	23.93	-	-
Chong Shin Mun	974,500,000	6.65	-	-	974,500,000	6.65	-	-

6.2 Interests of the Directors and Substantial Shareholders in the Proposed Disposal

None of the Directors or Substantial Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal (other than through their direct or indirect shareholdings in the Company).

7. RECOMMENDATION BY THE DIRECTORS

The Directors, having considered and reviewed, among other things, the terms and conditions of the SPA, the rationale for the Proposed Disposal, financial effects of the Proposed Disposal, and all the other relevant information set out in this Circular, unanimously recommend that Shareholders vote in favour of the Resolution relating to the Proposed Disposal as set out in the Notice of EGM.

Shareholders who may require specific advice should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser(s).

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 28 September 2018 at 10 a.m. at The Village Hotel Katong, 25 Marine Parade, Singapore 449536 for the purpose of considering and, if thought fit, passing with or without any modifications, the Resolution set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the proxy form attached to the Notice of EGM (the “**Proxy Form**”) in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Company’s share registrar at B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him/her from attending and voting at the EGM, if he/she wishes to do so, in place of his/her proxy.

Depositors who wish to attend and vote at the EGM, and whose names are shown in the Depository Register of CDP as at a time not less than 72 hours before the time appointed for the EGM supplied by CDP to the Company, may attend as CDP’s proxies. Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any Proxy Form.

10. DETAILS OF ANY SERVICE CONTRACTS

There are no persons proposed to be appointed as Directors of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents 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 Circular:

- (a) the SPA;
- (b) the annual report 2017 of the Company; and
- (c) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
ANNICA HOLDINGS LIMITED

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

ANNICA HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“**EGM**”) of Annica Holdings Limited (the “**Company**”) will be held on 28 September 2018 at 10 a.m. at The Village Hotel Katong, 25 Marine Parade, Singapore 449536 for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolution:

*All capitalised terms in this Notice which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 13 September 2018 (the “**Circular**”).*

ORDINARY RESOLUTION:

THE PROPOSED DISPOSAL OF 350,000 ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF GPE POWER SYSTEMS (M) SDN. BHD.

THAT the Company’s entry into, execution and performance of the SPA be and is hereby approved, confirmed and ratified AND:

- (a) approval be and is hereby given for the proposed disposal of 350,000 issued and paid up ordinary shares, representing 70% of the total issued and paid up share capital of GPE to the Purchaser, upon the terms and conditions of SPA; and
- (b) any Director be and are hereby authorised to complete and to do all acts and things as they may consider necessary or expedient for the purposes of or in connection with the Proposed Disposal and to give effect to this Resolution (including any amendment to the SPA, execution of any other agreements or documents and procurement of third party consents) as they shall think fit and in the interests of the Company.

BY ORDER OF THE BOARD
Annica Holdings Limited

13 September 2018
Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company may appoint not more than two (2) proxies to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
- (2) Pursuant to Section 181(1C) of the Companies Act (Cap. 50), a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (3) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100.0% of the shareholding and any second named proxy as an alternate to the first named.
 - (4) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the office of the Company’s share registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time set for holding the Extraordinary General Meeting.
 - (5) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
 - (6) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited not less than 72 hours before the time fixed for holding the Extraordinary General Meeting in order for the Depositor to be entitled to attend and vote at the Extraordinary General Meeting.

Personal Data Privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the personal data of the member by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the proxy(ies) and/or representative(s) of the member to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of the proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the breach of warranty of the member.

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PROXY FORM

ANNICA HOLDINGS LIMITED

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

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "Act"), A Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("CPF Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting.

PROXY FORM

*I/We _____ (Name)

of _____ (Address)

being *a member/members **ANNICA HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

or failing him/her/them the Chairman of the Meeting as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting of the Company ("EGM") to be held on 28 September 2018 at 10 a.m. at The Village Hotel Katong, 25 Marine Parade, Singapore 449536 and at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without amendment, the Resolution proposed as indicated hereunder.

ORDINARY RESOLUTION	No. of votes For	No. of votes Against
To approve the Proposed Disposal		

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided below. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/she/they will on any other matter arising at the Extraordinary General Meeting.)

Dated this _____ day of _____ 2018

Signature(s) of Member(s) or Common Seal of
Corporate Shareholder

Total Number of Shares in:

(a) CDP Register	
(b) Register of Members	

*Delete where inapplicable

Important: Please read notes overleaf.



Notes:

- 1 Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his/her concerned shareholding to be represented by each proxy shall be specified in the proxy form.
- 2 Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
"Relevant intermediary" means:
 - (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- 3 A proxy need not be a member of the Company.
- 4 Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

**Affix
Postage
Stamp
here**

ANNICA HOLDINGS LIMITED

c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

- 5 The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time set for the Extraordinary General Meeting.
- 6 The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 8 A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, (Chapter 50) of Singapore authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
- 9 The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
- 10 A Depositor shall not be regarded as a member of the Company entitled to attend the Extraordinary General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Extraordinary General Meeting.
- 11 CPF Investors who buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors who are unable to attend the meeting but would like to vote, may inform CPF Approved Nominees to appoint Chairman of the Meeting to act as their proxy, in which case, the CPF Investor shall be precluded from attending the meeting.

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