

## **ANNICA HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304025N)

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### **VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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The Board of Directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Unaudited Full Year Financial Statements and Dividend Announcement (the “**Unaudited Financial Statements**”) for the financial year ended 31 December 2018 (“**FY2018**”) released by the Company on 1 March 2019.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Board wishes to announce that upon completion of the audit of the financial statements of the Group and of the Company for FY2018 by the Company’s independent auditor, Baker Tilly TFW LLP (the “**Audited Financial Statements**”), adjustments and reclassifications are made to the Audited Financial Statements and the details of which are as follows:

Statement of Financial Position as at 31 December 2018 GROUP	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	2,067	2,067	-	
Fixed deposits	274	274	-	
Trade and other receivables	4,187	4,187	-	
Inventories	84	84	-	
Financial assets at fair value through profit or loss	8	8	-	
	6,620	6,620	-	
Non-current assets classified as held-for-sale	-	-	-	
	6,620	6,620	-	
<b>Non-current assets</b>				
Trade and other receivables	2,400	2,400	-	
Investment in an associate	-	96	(96)	(a)
Financial assets at fair value through profit or loss	97	1	96	(a)
Property, plant and equipment	347	347	-	
Deferred income tax assets	1	1	-	
	2,845	2,845	-	
<b>Total assets</b>	<b>9,465</b>	<b>9,465</b>	<b>-</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	2,064	3,424	(1,466)	(b)
			13	(c)
			93	(d)
Borrowings	950	963	(13)	(c)
Current income tax liabilities	115	115	-	
Contract liabilities	1,466	-	1,466	(b)
	4,595	4,502	93	
<b>Non-current liabilities</b>				
Borrowings	604	604	-	
Trade and other payables	-	93	(93)	(d)
Deferred income tax liabilities	22	22	-	
	626	719	(93)	
<b>Total liabilities</b>	<b>5,221</b>	<b>5,221</b>	<b>-</b>	
<b>Net assets</b>	<b>4,244</b>	<b>4,244</b>	<b>-</b>	
<b>EQUITY</b>				
Share capital	67,301	67,301	-	
Accumulated losses	(61,243)	(61,245)	2	*
Other reserves	(1,824)	(1,822)	(2)	*
Equity attributable to equity holders of the Company	4,234	4,234	-	
Non-controlling interests	10	10	-	
<b>Total equity</b>	<b>4,244</b>	<b>4,244</b>	<b>-</b>	

\*Rounding differences

Statement of Financial Position as at 31 December 2018 COMPANY	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalent	54	54	-	
Trade and other receivables	2,468	2,469	(1)	*
Financial assets at fair value through profit or loss	8	9	(1)	*
	2,530	2,532	(2)	
Non-current assets classified as held-for-sale	-	-	-	
	2,530	2,532	(2)	
<b>Non-current assets</b>				
Trade and other receivables	2,400	2,400	-	
Investments in subsidiaries	2,151	2,634	(483)	(e)
Investment in an associate	-	96	(96)	(a)
Financial assets at fair value through profit or loss	96	-	96	(a)
Property, plant and equipment	47	47	-	
	4,694	5,177	(483)	
<b>Total assets</b>	<b>7,224</b>	<b>7,709</b>	<b>(485)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	1,164	1,152	13	(c)
			(1)	*
Borrowings	940	953	(13)	(c)
	2,104	2,105	(1)	
<b>Non-current liability</b>				
Borrowings	537	537	-	
	537	537	-	
<b>Total liabilities</b>	<b>2,641</b>	<b>2,642</b>	<b>(1)</b>	
<b>Net assets</b>	<b>4,583</b>	<b>5,067</b>	<b>(484)</b>	
<b>EQUITY</b>				
Share capital	67,301	67,301	-	
Accumulated losses	(62,768)	(62,284)	(483)	(e)
			(1)	*
Other reserves	50	50	-	
<b>Total equity</b>	<b>4,583</b>	<b>5,067</b>	<b>(484)</b>	

\*Rounding differences

Consolidated Statement of Profit or Loss for the Financial Year ended 31 December 2018	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
	\$'000	\$'000	\$'000	
<b>Continuing Operations</b>				
Revenue	6,077	6,077	-	
Cost of sales	(3,986)	(3,986)	-	
<b>Gross profit</b>	<b>2,091</b>	<b>2,091</b>	-	
Other income	136	149	(13)	(f)
			(24)	(g)
			(37)	(h)
			60	(i)
			1	*
Interest income	37	-	37	(h)
Selling and distribution expenses	(282)	(279)	(3)	(j)
Administrative and general expenses	(5,210)	(3,692)	24	(g)
			3	(j)
			(1,530)	(k)
			(15)	(l)
Other expenses	(526)	(2,105)	13	(f)
			(60)	(i)
			1,530	(k)
			93	(m)
			2	(n)
			1	*
Finance costs	(163)	(85)	15	(l)
			(93)	(m)
Share of loss on associate	(2)	-	(2)	(n)
<b>Loss before income tax from continuing operations</b>	<b>(3,919)</b>	<b>(3,921)</b>	<b>2</b>	
Income tax expense	(119)	(119)	-	
<b>Loss from continuing operations, net of tax</b>	<b>(4,038)</b>	<b>(4,040)</b>	<b>2</b>	
<b>Discontinued operation</b>				
Profit from discontinued operation, net of tax	193	193	-	
<b>Loss for the financial year</b>	<b>(3,845)</b>	<b>(3,847)</b>	<b>2</b>	

Other Comprehensive Income for the Financial Year ended 31 December 2018	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
	\$'000	\$'000	\$'000	
<b>Other comprehensive (loss)/income</b> <i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation	(44)	(28)	(16)	(o)
Reclassification of currency translation differences from equity on disposal of a subsidiary to profit or loss	40	26	16	(o) *
			(2)	
<b>Other comprehensive loss for the financial year, net of tax</b>	(4)	(2)	(2)	
<b>Total comprehensive loss for the financial year</b>	<b>(3,849)</b>	<b>(3,849)</b>	-	
<b>Total (loss)/profit attributable to:</b>				
- Equity holders of the Company	(3,967)	(3,969)	2	*
- Non-controlling interests	122	122	-	
	<b>(3,845)</b>	<b>(3,847)</b>	<b>2</b>	
<b>(Loss)/profit attributable to:</b>				
<i>Equity holders of the Company</i>				
- from continuing operations	(4,047)	(4,049)	2	*
- from discontinued operation	80	80	-	
	<b>(3,967)</b>	<b>(3,969)</b>	<b>2</b>	
<b>Loss for the financial year for the financial year attributable to equity holders of the Company</b>				
<i>Non-controlling interest</i>				
- from continuing operations	9	9	-	
- from discontinued operation	113	113	-	
	<b>122</b>	<b>122</b>	-	
<b>Profit for the financial year for the financial year attributable to non-controlling interest</b>				
<b>Total comprehensive (loss)/income attributable to:</b>				
- Equity holders of the Company	(3,968)	(3,968)	-	
- Non-controlling interests	119	119	-	
	<b>(3,849)</b>	<b>(3,849)</b>	-	
<b>Total comprehensive (loss)/income attributable to:</b>				
<i>Equity holders of the Company</i>				
- from continuing operations	(4,091)	(4,066)	(25)	(p)
- from discontinued operation	123	98	25	(p)
	<b>(3,968)</b>	<b>(3,968)</b>	-	
<b>Total comprehensive loss for the financial year attributable to equity holders of the Company</b>				
<i>Non-controlling interest</i>				
- from continuing operations	9	(2)	11	(p)
- from discontinued operation	110	121	(11)	(p)
	<b>119</b>	<b>119</b>	-	
<b>Total comprehensive income for the financial year attributable to non-controlling interests</b>				

\*Rounding differences

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2018	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
<b>Cash flows from operating activities</b>				
Loss before income tax from continuing operations	(3,919)	(3,921)	2	
Profit before income tax from discontinued operation	312	312	-	
	<b>(3,607)</b>	<b>(3,609)</b>	<b>2</b>	
Adjustments for:				
Depreciation of property, plant and equipment	255	258	(3)	
Fair value (gain)/loss on redeemable convertible bonds	(60)	33	(93)	
Fair value loss on financial assets at fair value through profit or loss	13	12	1	
Gain on disposal of property, plant and equipment	(18)	-	(18)	
Interest expense	301	70	231	
Interest income	(37)	(37)	-	
Loss on disposal of a subsidiary	432	432	-	
Issuance of Performance Shares	1,530	1,530	-	
Write-off of redeemable convertible bond expenses	520	520	-	
Bad debt recovered	(108)	-	(108)	
Operating cash flows before working capital changes	<b>(779)</b>	<b>(791)</b>	<b>12</b>	
Changes in working capital:				
Inventories	(591)	(591)	-	
Payables and contract liabilities	5,356	5,253	103	
Receivables	(4,616)	(4,630)	14	
Currency translation difference	(60)	(58)	(2)	
Cash used in operations	<b>(690)</b>	<b>(817)</b>	<b>127</b>	
Income tax paid	(103)	(48)	(55)	
<b>Net cash used in operating activities</b>	<b>(793)</b>	<b>(865)</b>	<b>72</b>	(q)
<b>Cash flows from investing activities</b>				
Interest received	37	3	34	
Net cash inflow from disposal of a subsidiary	388	388	-	
Purchases of property, plant and equipment	(198)	(213)	15	
Purchase of financial assets through profit or loss	(46)	(46)	-	
Proceeds from disposal of property, plant and equipment	18	-	18	
<b>Net cash generated from investing activities</b>	<b>199</b>	<b>132</b>	<b>67</b>	(r)
<b>Cash flows from financing activities</b>				
Contribution from non-controlling interest of a subsidiary incorporated	**	**	-	
Interest paid	(82)	(50)	(32)	
Placement of deposit in cash margin account	-	(3)	3	
Proceeds from borrowings	-	153	(153)	
Repayment of borrowings	(175)	(218)	43	
<b>Net cash used in financing activities</b>	<b>(257)</b>	<b>(118)</b>	<b>(139)</b>	(s)
<b>Net decrease in cash and cash equivalents</b>	<b>(851)</b>	<b>(851)</b>	<b>-</b>	
Cash and cash equivalents at beginning of the financial year	2,683	2,683	-	
Effects of foreign currency translation on cash and cash equivalents	10	10	-	
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,842</b>	<b>1,842</b>	<b>-</b>	

\*\* Amount is less than \$1,000

Explanatory Notes:

- (a) Reclassification of "Investment in Preference Shares" of \$96,000 from "Investment in an associate" to "Financial assets at fair value through profit or loss" in the Statement of Financial Position of the Group and of the Company.
- (b) Reclassification of "Deferred Income" of \$1,466,000 from "Current liabilities - Trade and other payables" to "Current liabilities - Contract Liabilities" in the Statement of Financial Position of the Group.
- (c) Reclassification of "Interest expenses in borrowings" of \$13,000 from "Current liabilities - Borrowings" to "Current liabilities - Trade and other payables" in the Statement of Financial Position of the Group and of the Company.
- (d) Reclassification of "Trade payables" of \$93,000 from "Non-current liabilities - Trade and other payables" to "Current liabilities - Trade and other payables" in the Statement of Financial Position of the Group.
- (e) Adjustment for "Impairment loss in subsidiaries" of \$483,000. Allowance for impairment loss was recognised in the Statement of Profit or Loss of the Company and "Current assets - Investment in subsidiaries" in the Statement of Financial Position of the Company. No effect on Statement of Financial Position of the Group.
- (f) Other income offset against other expenses.
- (g) Reclassification of "Bad debt recovered" of \$24,000 from "Other income" to "Administrative and general expenses" in the Consolidated Statement of Profit or Loss.
- (h) Reclassification of "Interest Income" of \$37,000 from "Other Income" to "Interest Income" in the Consolidated Statement of Profit or Loss.
- (i) Adjustment for "Fair value gain on redeemable convertible bonds" of \$60,000 from "Other Expenses" to "Other Income" in the Consolidated Statement of Profit or Loss.
- (j) Reclassification of "Commission for debt recovery" of \$3,000 from "Administrative and general expenses" to "Selling and distribution expenses" in the Consolidated Statement of Profit or Loss.
- (k) Reclassification of "Performance share plan expenses" of \$1,530,000 from "Other expenses" to "Administrative and general expenses" in the Consolidated Statement of Profit or Loss.
- (l) Reclassification of "Bank charges" of \$15,000 from "Finance costs" to "Administrative and general expenses" in the Consolidated Statement of Profit or Loss.
- (m) Adjustment for "Amortisation expenses on redeemable convertible bonds" of \$93,000 from "Other expenses" to "Finance costs" in the Consolidated Statement of Profit or Loss.
- (n) Reclassification of "Share of loss on associate" of \$2,000 from "Other expenses" to "Share of loss on associate" in the Consolidated Statement of Profit or Loss.
- (o) Reclassification of "Currency translation differences" of \$16,000 from "Currency translation differences arising from consolidation" to "Reclassification of currency translation differences from equity on disposal of a subsidiary to profit or loss" in the Consolidated Statement of Profit or Loss.
- (p) Adjustments to the Consolidated Statement of Other Comprehensive Income as a result of the above adjustments relating to the Consolidated Statement of Profit or Loss.
- (q) Adjustments to net cash used in operating activities of \$72,000 in the Consolidated Statement of Cash Flows as a result of the above adjustments relating to the Statement of Financial Position of the Group and Consolidated Statement of Profit or Loss.

- (r) Adjustments to net cash generated from investing activities of \$67,000 in the Consolidated Statement of Cash Flows as a result of adjustment to "Interest received" of \$34,000, "Sales of proceed on property, plant and equipment" of \$18,000 and "Purchase of property, plant and equipment" of \$15,000.
- (s) Adjustments to net cash generated from financing activities of \$139,000 in the Consolidated Statement of Cash Flows as a result of adjustments to "Interest paid" of \$32,000, "Proceeds from borrowings" of \$153,000, "Placement of deposit in cash margin account" of \$3,000 and "Repayment of borrowings" of \$43,000.

By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

8 April 2019

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*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.*

*The contact person for the Sponsor is Mr. Bernard Lui:  
Telephone number: (65) 6389 3000  
Email address: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)*