

ANNICA HOLDINGS LIMITED

Unaudited Financial Statements And Dividend Announcement For The Financial Year Ended 31 December 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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For the purpose of this Announcement, **FY2015** refers to the full financial year ended 31 December 2015 whereas **FY2014** refers to the corresponding full financial year ended 31 December 2014.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Group		
	FY2015 \$'000	FY2014 \$'000	Increase/ (Decrease) %
Revenue	25,749	28,971	(11)
Cost of sales	(23,492)	(26,213)	(10)
Gross profit	2,257	2,758	(18)
Other income	463	193	NM
Selling and distribution expenses	(533)	(568)	(6)
Administrative and general expenses	(5,527)	(5,654)	(2)
Other expenses	(4,818)	(11,265)	(57)
Finance costs	(218)	(78)	NM
Share of loss of associated companies	-	(5)	NM
Loss before income tax	(8,376)	(14,619)	(43)
Income tax (expense)/credit	(64)	127	NM
Net loss for the financial year	(8,440)	(14,492)	(42)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(190)	28	NM
Fair value loss on available-for-sale financial assets	-	(266)	NM
Reclassification adjustment on disposal of available-for-sale financial assets	-	(301)	NM
Other comprehensive loss, net of tax	(190)	(539)	(65)
Total comprehensive loss	(8,630)	(15,031)	(43)
Net loss attributable to:			
Equity holders of the Company	(5,253)	(12,037)	(56)
Non-controlling interests	(3,187)	(2,455)	30
	(8,440)	(14,492)	(42)
Total comprehensive loss attributable to:			
Equity holders of the Company	(5,443)	(12,576)	(57)
Non-controlling interests	(3,187)	(2,455)	30
	(8,630)	(15,031)	(43)

NM: Not meaningful

1(a)(ii) Total net loss for the financial year is arrived at after charging/(crediting) the following:

	Group		Increase/ (Decrease) %
	FY2015 \$'000	FY2014 \$'000	
Interest income from bank and deposits	(2)	(15)	(87)
Interest income from advance to related parties	-	(3)	NM
Amortisation of intangible assets	9	1,929	(100)
Impairment loss on intangible assets	-	4,259	NM
Impairment loss on investments in available-for-sale financial assets	16	557	(97)
Interest expense on borrowings	29	78	(63)
Interest expense on advance from third parties	157	-	NM
Finance charge from banks	32	-	NM
Foreign currency exchange loss	435	89	NM
Loss on disposal of property, plant and equipment	3	-	NM
Loss on disposal of available-for-sale financial assets	16	46	(65)
Loss on disposal of financial assets, at fair value through profit or loss, net	1	407	(100)
Fair value loss on financial assets, at fair value through profit or loss	80	116	(31)
Impairment loss on property, plant and equipment	62	-	NM
Gain on discounting of long-term trade receivables	(8)	(9)	(11)
Allowance for doubtful trade receivables	278	3,460	(92)
Allowance for doubtful debts - other receivables	574	122	NM
Allowance for inventory obsolescence	176	279	(37)
Depreciation of property, plant and equipment	303	324	(6)
Overprovision of income tax liabilities	-	(133)	NM
Write back of overdue debts no longer required	(78)	-	NM
Impairment loss on amount due from an associated company	2,104	-	NM
Impairment loss on equipment earmarked for construction contracts	405	-	NM
Equipment earmarked for construction contracts written off	660	-	NM
Investment in associated companies written off	44	-	NM

NM: Not meaningful

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period.

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Group		Company	
	As at FY2015 \$'000	As at FY2014 \$'000	As at FY2015 \$'000	As at FY2014 \$'000
ASSETS				
Current assets:				
Cash and bank balances	2,976	3,100	86	1
Fixed deposits	242	291	-	-
Trade and other receivables	13,703	10,647	1,378	2,800
Inventories	1,147	829	-	-
Financial assets, at fair value through profit or loss	147	227	147	227
	18,215	15,094	1,611	3,028
Non-current assets:				
Investments in subsidiaries	-	-	3,403	2,805
Investments in associated companies	-	44	-	-
Available-for-sale financial assets	9	639	-	231
Property, plant and equipment	3,011	3,412	2,459	2,607
Trade receivables	81	112	-	-
Intangible assets	16	24	-	-
	3,117	4,231	5,862	5,643
Total assets	21,332	19,325	7,473	8,671

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period (Cont'd)

STATEMENTS OF FINANCIAL POSITION (Cont'd)
AS AT 31 DECEMBER 2015

	Group		Company	
	As at FY2015 \$'000	As at FY2014 \$'000	As at FY2015 \$'000	As at FY2014 \$'000
<u>LIABILITIES</u>				
Current liabilities:				
Trade and other payables	12,016	9,782	2,081	721
Borrowings	951	89	-	38
Current income tax liabilities	39	31	-	-
	13,006	9,902	2,081	759
Non-current liabilities:				
Borrowings	7,531	314	4,936	86
Deferred tax liabilities	23	7	-	-
	7,554	321	4,936	86
Total liabilities	20,560	10,223	7,017	845
Net assets	772	9,102	456	7,826
<u>EQUITY</u>				
Capital and reserves attributable to equity holders of the Company				
Share capital	54,524	54,224	54,524	54,224
Accumulated losses	(47,840)	(42,587)	(54,068)	(46,398)
Other reserves	(1,832)	(1,642)	-	-
	4,852	9,995	456	7,826
Non-controlling interests	(4,080)	(893)	-	-
Total equity	772	9,102	456	7,826

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial period:

Amount repayable in one year or less, or on demand

As at FY2015		As at FY2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
480	471	89	-

Amount repayable after one year

As at FY2015		As at FY2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
167	7,364	314	-

The secured borrowings were liabilities arising from finance lease agreements and bank borrowings secured on the Group's motor vehicles and leasehold properties, respectively.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Group	
	FY2015 \$'000	FY2014 \$'000
Cash flows from operating activities:		
Net loss for the financial year	(8,440)	(14,492)
Adjustments for:		
Income tax expense/(credit)	64	(127)
Depreciation expense on property, plant and equipment	303	324
Investment in associated companies written off	44	-
Impairment loss on property, plant and equipment	62	-
Interest expense	119	78
Interest income	(2)	(18)
Loss on disposal of financial assets at fair value through profit or loss	1	407
Fair value loss on financial assets at fair value through profit or loss	80	116
Impairment loss on available-for-sale financial assets	16	557
Loss on disposal of property, plant and equipment	3	-
Loss on disposal of available-for-sale financial assets	16	46
Amortisation of intangible assets	9	1,929
Impairment loss on intangible assets	-	4,259
Share of loss of associated companies	-	5
Gain on discounting of long term trade receivables	(8)	(9)
Allowance for doubtful debts - other receivables	-	122
	(7,733)	(6,803)
Changes in working capital:		
Financial assets, at fair value through profit or loss	-	659
Trade and other receivables and other current assets	(3,060)	6,906
Inventories	(318)	1,032
Trade and other payables	2,139	(2,142)
Cash used in operations	(8,972)	(348)
Income tax paid	(45)	(69)
Net cash used in operating activities	(9,017)	(417)
Cash flows from investing activities:		
Receipt of interest	2	15
Purchases of available-for-sale financial assets	-	(18)
Proceeds from disposal of available-for-sale financial assets	598	574
Purchases of property, plant and equipment	(12)	(71)
Proceeds from disposal of property, plant and equipment	1	-
Acquisition of intangible assets	-	(25)
Net cash generated from investing activities	589	475
Cash flows from financing activities:		
Net proceeds from issuance of redeemable convertible bonds	301	-
Proceeds from issuance of shares	300	-
Loans from third parties	7,534	(24)
Advance from related parties	30	255
Repayment of borrowings	(189)	(500)
Deposit placed in margin account	(659)	-
Release of fixed deposit pledged as security for banking facilities, net	49	1,493
Interest paid	(61)	(78)
Net cash generated from financing activities	7,305	1,146
Net (decrease)/increase in cash and cash equivalents	(1,123)	1,204
Cash and cash equivalents at beginning of the financial year	3,100	1,903
Effects of foreign currency translation on cash and cash equivalents	(93)	(7)
Cash and cash equivalents at end of the financial year	1,884	3,100
CASH AND CASH EQUIVALENTS IN CONSOLIDATED STATEMENT OF CASH FLOWS		
Cash and bank balances	2,976	3,100
Less: Deposit placed in margin account	(659)	-
Less: Bank overdraft	(433)	-
	1,884	3,100

MAJOR NON-CASH TRANSACTIONS:

During FY2015, the Group issued redeemable convertible bonds with an aggregate principal amount of \$2,000,000, out of which \$301,000 was received in cash and \$1,699,000 was set-off against a loan from a third party of \$1,600,000 plus interest of \$99,000.

The Group had no major non-cash transactions in FY2014.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	----- Attributable to equity holders of the Company -----							
	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total Equity \$'000
Group								
Balance as at 1 January 2015	54,224	(1,389)	(253)	-	(42,587)	9,995	(893)	9,102
Issuance of shares	300	-	-	-	-	300	-	300
Total comprehensive loss for the financial year	-	-	(190)	-	(5,253)	(5,443)	(3,187)	(8,630)
Balance as at 31 December 2015	54,524	(1,389)	(443)	-	(47,840)	4,852	(4,080)	772
Balance as at 1 January 2014	54,224	(1,389)	(281)	567	(30,550)	22,571	1,562	24,133
Total comprehensive loss for the financial year	-	-	28	(567)	(12,037)	(12,576)	(2,455)	(15,031)
Balance as at 31 December 2014	54,224	(1,389)	(253)	-	(42,587)	9,995	(893)	9,102

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.

	Number of shares '000	Share Capital \$'000
Balance as at 1 January 2015	1,312,280	54,224
Issue of shares	176,470	300
Balance as at 31 December 2015	1,488,750	54,524

During FY2015, the Company allotted and issued 176,470,588 ordinary shares of the Company ("Shares", and each a "Share") for a consideration of \$300,000 to satisfy fees relating to the issuance of redeemable convertible bonds (the "RCBs"). Please refer to the discussion in paragraph 8 on "Issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000" for more information.

There was no issuance of Shares by the Company in FY2014.

Convertible Securities

On 30 December 2015, the Company issued RCBs with an aggregate principal amount of \$2,000,000 under the terms of a subscription agreement dated 31 July 2015 entered into by the Company and the subscribers of the RCBs (the "Subscribers"). These RCBs are convertible into Shares (the "RCB Conversion Shares") at a conversion price determined by taking 85.0% of the average of the traded volume weighted average price (the "VWAP") per Share for any three (3) consecutive trading days determined at the sole and absolute discretion of the Subscribers, during the thirty (30) trading days immediately preceding the relevant date on which the RCBs were to be converted. The RCB Conversion Shares, which when issued, shall rank *pari passu* in all respects with all other existing Shares. The issue price of the RCBs is 100% of the principal amount. Please refer to the discussion in paragraph 8 on "Issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000" for more information.

There was no issuance of convertible securities by the Company in FY2014.

Treasury Shares

The Company has no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at FY2015	As at FY2014
Total number of issued shares excluding treasury shares ('000)	1,488,750	1,312,280

The Company has no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

Issuance of Shares subsequent to FY2015

- On 5 January 2016, the Company issued RCBs with an aggregate principal amount of \$1,000,000 to the Subscribers and allotted and issued 88,235,294 Shares for a consideration of \$150,000 to satisfy fees relating to the issuance of the RCBs; and
- the Subscribers exercised its right to convert RCBs with an aggregate principal value of \$1,200,000 into 1,500,000,000 RCB Conversion Shares on 15 January 2016 and 18 January 2016.

As at the date of this announcement, the Company has a total share capital of \$55,874,000 comprising 3,076,985,206 Shares.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recently audited financial statements for the financial year ended 31 December 2014 except for the adoption of revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the revised FRS and INT FRS as discussed in paragraph 4 are not expected to result in any significant changes to the Group's accounting policies and methods of computation.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	FY2015	FY2014
a. Loss per ordinary share based on the weighted average number of ordinary shares on issue (in cents)	0.40	0.92
Weighted average number of shares ('000)	1,313,246	1,312,280
b. Diluted loss per ordinary share based on the weighted average number of ordinary shares on issue (in cents)	0.40	0.92
Weighted average number of shares ('000)	1,313,246	1,312,280

Basic and diluted loss per share for FY2015 were calculated by dividing the total net loss for the financial year attributable to equity holders of \$5,253,000 (FY2014: \$12,037,000) by the weighted average number of ordinary shares of 1,313,246,286 as at FY2015 (FY2014: 1,312,279,324).

The basic and diluted loss per share are the same as the Group did not have any potentially dilutive instruments for the respective financial year.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial period.

	Group		Company	
	FY2015	FY2014	FY2015	FY2014
Net asset value per ordinary share based on the issued share capital at the end of the year (in cents)	0.33	0.76	0.03	0.60

Net asset value per ordinary share of the Group as at FY2015 was calculated by dividing the Group's net asset value attributable to equity holders as at FY2015 of \$4,852,000 (FY2014: \$9,995,000) divided by the number of ordinary shares of the Company as at FY2015 of 1,488,749,912 (FY2014: 1,312,279,324).

Net asset value per ordinary share of the Company as at FY2015 was calculated by dividing the Company's net asset value as at FY2015 of \$456,000 (FY2014: \$7,826,000) divided by the number of ordinary shares of the Company as at FY2015 of 1,488,749,912 (FY2014: 1,312,279,324).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

STATEMENT OF COMPREHENSIVE INCOME

Revenue and Gross Profit

The Group posted revenue of \$25,749,000 in FY2015 with the biomass project, oil and gas equipment and engineering services segments contributing 51%, 38% and 11%, respectively, to the Group's revenue. Geographically, the Group continues to serve its customers in the Asia Pacific region through its operations in Singapore, Malaysia, Indonesia and Thailand. The biomass project turned in dismayed results with a significant decrease in the number of biomass contracts secured, customers' delays in procuring project financing and the prevailing market conditions. These were the contributing factors to the net decrease of 11% or \$3,222,000 in the revenue of the Group in FY2015 from that of \$28,971,000 reported in FY2014. On the other hand, it is worth noting that the Group saw better performances from the oil and gas equipment and engineering services businesses in FY2015 despite the sluggish market conditions in the industry and dampened oil prices. With pressure on operating margins and volatility of foreign currencies, the Group endeavours on being price-competitive in order to secure contracts and remaining competitive in the markets that it operates.

The oil and gas equipment and engineering services segments turned in slightly lower gross profit in FY2015 as a result of lower revenue. However, the set back of \$501,000 in the Group's gross profit from \$2,758,000 in FY2014 to \$2,257,000 in FY2015 was mainly caused by higher costs, delays in construction contracts alongside project delays and cost-overrun resulting in a gross loss incurred by the biomass project segment. The Group's gross margin was 9% in FY2015, which was a decrease of 1% from that of 10% reported in FY2014, due to the loss from biomass project and lower margin from the engineering services segment as a result of competitive pricing to secure customers' orders, partially offset by higher margin reported in the oil and gas equipment sector.

Other income

Other income of \$463,000 in FY2015 had increased by \$270,000 compared to \$193,000 in FY2014 due to higher commission received in FY2015 and write-back of overdue debts no longer required.

Selling and distribution expenses

The Group's selling and distribution expenses of \$533,000 were maintained at approximately 2% of total revenue. This explained the decrease of \$35,000 from \$568,000 incurred in FY2014, which was in line with the lower revenue.

Administrative and general expenses

The Group incurred administrative and general expenses of \$5,527,000 in FY2015, which was a decrease of \$127,000 from \$5,654,000 reported in FY2014. The decrease was the result of cost-cutting measures and closer monitoring of expenses.

Other expenses

Other expenses amounted to \$4,818,000 in FY2015 and these were allowances and impairment loss adjustments for trade and other receivables, slow-moving inventories and equipment earmarked for construction contracts, impairment loss on property, plant and equipment and amount due from an associated company, exchange loss and trading loss from and unrealised fair value adjustments on investments in financial assets due to declines in quoted market prices of the equity securities held by the Group. Allowance for doubtful debts was made after the management undertook a review of overdue debts and aged inventories, construction contracts alongside project delays and the prevailing business developments and market conditions.

The Group recorded higher other expenses in FY2014 which included amortisation of and impairment loss on intangible assets associated with customers' contracts. These expenses which did not recur in FY2015 were the factors contributing to the decrease in other expenses of \$6,447,000 in FY2015 from those of \$11,265,000 in FY2014,

Finance costs

Finance costs of \$218,000 in FY2015 were higher than FY2014's \$78,000 in FY2014 due to advances from third parties taken up in FY2015.

Net loss for FY2015

The Group reported net loss of \$8,440,000 for FY2015. This was a decrease of \$6,052,000 from FY2014's loss of \$14,492,000 due to the non-recurred other expenses included in FY2014's loss as explained above partially offset by lower gross profit and increase in finance costs due to advances from third parties in FY2015.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

FINANCIAL POSITION

Current assets

Current assets of the Group totalled \$18,215,000 as at FY2015. The increase of \$3,121,000 from \$15,094,000 as at FY2014 was primarily from higher trade and other receivables and inventories, partially offset by lower investments in financial assets, at fair value through profit or loss following disposals and adjustments for unrealised fair value loss and cash and bank balances. The investments in the financial assets, comprising listed equity securities, were stated at quoted market price as at the respective dates.

Non-current assets

The Group's non-current assets were \$3,117,000 as at FY2015 which included mainly property, plant and equipment. Disposal of the investments in financial assets, depreciation charge on property, plant and equipment led to the net decrease of \$1,114,000 from the Group's non-current assets of \$4,231,000 as at FY2014. Leasehold properties of the Group include a two-storey leasehold factory in Singapore and two leasehold shop units in Malaysia. The properties are pledged as security for the Group's banking facilities.

Current liabilities

The Group reported current liabilities of \$13,006,000 as at FY2015 which was an increase of \$3,104,000 from \$9,902,000 as at FY2014, mainly because of increase in trade and other payables and recognition of the derivative portion of the RCBs according to the prevailing accounting standards.

Non-current liabilities

Non-current liabilities of the Group increased by \$7,233,000 from \$321,000 as at FY2014 to \$7,554,000 as at FY2015 due to loans from third parties and RCBs issued.

Shareholders' equity

Capital and reserves attributable to equity holders of the Company was \$4,852,000 as at FY2015. This was a decrease of \$5,143,000 from \$9,995,000 as at FY2014 as a result of net loss in FY2015.

CASH FLOWS

The Group had cash and cash equivalents of \$1,884,000 as at FY2015 which saw a decrease of \$1,216,000 from \$3,100,000 as at FY2014, as a result of net cash used in operations and foreign currency exchange loss. Net cash used in operations arose from FY2015's operating losses, slower collection from trade and other receivables and purchase of inventories, offset by delayed payments to trade and other receivables. The operating cash outflow was financed by net cash inflow from investing and financing activities, which included proceeds from the subscription of RCBs, issuance of Shares and disposal of financial assets as well as loans from third parties.

MATTERS THAT AROSE DURING 2015

Receipt of Notice of Termination by Industrial Power Technology Pte. Ltd.

On 27 March 2015, the Company announced that one of its subsidiaries, Industrial Power Technology Pte. Ltd. ("**Industrial Power**"), had received a notice of termination (the "**Termination Notice**") in respect of the Engineering, Procurement, Construction & Commissioning Turnkey Contract (the "**EPCC Contract**") between Industrial Power and FTJ Bio Power Sdn. Bhd. ("**FTJ**") on grounds of alleged breach and default by Industrial Power of certain terms under the EPCC Contract (the "**FTJ Claims**").

The EPCC Contract was for the engineering, procurement, construction and commissioning of a Biomass Power Plant (the "**Power Plant**") in Malaysia. Industrial Power has completed the engineering, procurement and construction of the Power Plant and had received approximately \$29,300,000 (equivalent of RM78,300,000), which was approximately 90% of the EPCC Contract's original contract sum. According to the terms of the EPCC Contract, the exposure of the maximum liquidated damages to Industrial Power is approximately \$5,900,000 (equivalent of RM18,000,000 at the current prevailing exchange rate).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

MATTERS THAT AROSE DURING 2015 (Cont'd)

Receipt of Notice of Termination by Industrial Power Technology Pte. Ltd. (Cont'd)

Industrial Power has been advised by its solicitors who opined that Industrial Power's position has merits on the FTJ Claims, the Termination Notice and liquidated damages invoices issued by FTJ. Industrial Power has been directed to take all appropriate steps to resolve the matter via amicable negotiations and if necessary, initiate arbitration proceedings at the Kuala Lumpur Regional Centre for Arbitration as provided for in the EPCC Contract. The arbitration proceedings are likely to take about 12 to 24 months from commencement before an award may be given and as at the date of this announcement, no arbitration proceedings have been commenced. Based on the foregoing factors and as the outcome of the Termination Notice and FTJ Claims cannot be reliably estimated and the obligation of the liquidated damages are subject to those outcomes, the Directors are of the opinion that no further provision on the amount owing from FTJ of \$1,975,000 and no provision for liquidated damages was necessary as at FY2015.

The Company will make further announcements as and when there are material developments on the FTJ Claims.

Claims under cash cover guarantees provided to Industrial Power

As announced by the Company on 22 June 2015 and 22 October 2015, Songkhla Biomass Company Limited ("**Songkhla**") made claims of a total of \$5,200,000 from the Company and Liongold Corp Ltd ("**LionGold**"), as guarantors of performance securities in respect of the Engineering, Supply, Construction and Testing Project between Songkhla, Industrial Power, together with its 49%-owned associated company, Industrial Power (Thailand) Co., Ltd (the "**SKB Project**"), on grounds of delays in the completion of the SKB Project (the "**SKB Claims**").

Consequential to the fulfilment of the SKB Claims and cash settlement of \$390,000 by Industrial Power, the Company entered into two (2) deeds of settlement with LionGold whereby the Company and LionGold agreed to share the amount under the SKB Claims. The amount including interest and related expenses borne by the Company was \$3,030,000, representing 61.5% of the total SKB Claims.

In connection with the aforesaid, LionGold provided the Company with a loan facility of \$3,557,443 (the "**LionGold Loan Facility**") to repay the Company's share of the SKB Claims and for Industrial Power's working capital purposes. As at FY2015 and the date of this announcement, LionGold had extended loans in the aggregate sum of \$3,504,879 to the Company (the "**LionGold Loans**"). The LionGold Loan Facility carries an interest of 8% per annum and shall be due and payable in December 2018. Please refer to the Company's announcements dated 22 October 2015 and 11 February 2016 on the details of the LionGold Loan Facility.

On 11 February 2016, LionGold announced that it had assigned the benefits under the LionGold Loans to a third party. Please refer to the discussion "Proposed debt conversion and proposed grant of options to an investor" below for further information.

Entry into a term loan agreement for \$1,600,000

The Company announced on 22 June 2015 that it had entered into a loan agreement (the "**PEFF Loan Agreement**") with Premier Equity Fund Sub Fund F ("**PEFF**") and its manager, Value Capital Asset Management Pte Ltd (the "**Manager**"), whereby PEFF extended a term loan of \$1,600,000 to the Company (the "**PEFF Loan**"). The PEFF Loan carried an interest of 15% per annum and PEFF and the Manager were paid a finder's fee of \$75,000 and costs relating to the PEFF Loan Agreement of \$25,000.

On 30 December 2015, the Company announced that it had entered into a set-off and termination agreement with PEFF and the Manager (the "**Set-off and Termination Agreement**") pursuant to which the PEFF Loan plus interest due as at 30 December 2015 were being fully satisfied by setting off against the proceeds from the subscription of RCBs. Please refer to the discussion in paragraph 8 on "Issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000" below for further information.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

MATTERS THAT AROSE DURING 2015 (Cont'd)

Issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000

At the extraordinary general meeting ("EGM") held on 29 December 2015, Shareholders approved the issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000 (the "RCBs"), pursuant to the RCB subscription agreement dated 31 July 2015 (the "Subscription Agreement") entered into with PEFF and the Manager (the "Subscribers").

The first tranche of the RCBs (the "Tranche 1 RCBs") comprises equal sub-tranches of \$500,000 each, while the remaining three tranches of the RCBs comprises equal sub-tranches of \$1,000,000 each. The RCBs shall be issued in registered form in denominations of \$50,000 each. The RCBs are convertible into Shares (the "RCB Conversion Shares"), which when issued, shall rank *pari passu* in all respects with all other existing Shares. The issue price of the RCBs is 100% of the principal amount. The issue price of the RCB Conversion Shares (the "RCB Conversion Price") is determined by taking 85.0% of the average of the traded volume weighted average price (the "VWAP") per Share for any three (3) consecutive trading days determined at the sole and absolute discretion of the Subscribers, during the thirty (30) trading days immediately preceding the relevant date on which the RCBs were to be converted. The subscription and conversion of the RCBs shall be in accordance with the terms of the Subscription Agreement and subject to the terms and conditions of the RCBs.

The fees payable by the Company under the Subscription Agreement are as follows:

- (a) initial fee of \$150,000 for every \$1,000,000 in aggregate principal amount of RCBs subscribed (the "Initial Fee Payment Tranche") subject to a maximum sum of \$600,000 payable to the Subscribers. Each Initial Fee Payment Tranche shall be satisfied by the issue of new Shares (the "Consideration Shares") upon the relevant subscription of \$1,000,000 in aggregate principal amount of RCBs by the Subscribers. The Consideration Shares are to be issued at a price per Share equal to (i) 50% of the last traded price per Share as at the date of the Subscription Agreement; or (ii) a price equal to 15% discount to the VWAP per Share for the full trading day immediately prior to the issue date of the Consideration Shares, whichever is higher; and
- (b) an arranger's fee of 5% of the aggregate principal amount of the RCBs payable to the Manager to be deducted directly from the subscription moneys as and when payable to the Company by the Subscribers.

The Company entered into the Subscription Agreement to take advantage of an opportunity for the Company to strengthen the Group's financial position and capital base. Assuming full subscription of the RCBs, the estimated net proceeds raised from the proposed issue of RCBs, after deducting estimated fees and expenses, are approximately \$13,750,000 and \$42,500,000 from the first tranche of the RCBs and the remaining three tranches of the RCBs, respectively, with a total amount of \$56,250,000 receivable by 2018 (the "RCBs net proceeds"). The RCBs net proceeds are to be applied towards funding (i) the repayment of the Company's obligations under the PEFF Loan Agreement; (ii) general working capital of the Group including Industrial Power's operations; and (iii) general corporate activities, including, but not limited to, acquisitions, joint ventures and/or for strategic alliances.

Please refer to the Company's circular to the Shareholders dated 11 December 2015 (the "Circular") and announcement dated 31 July 2015 for further details on the RCBs.

On 30 December 2015, the Company issued the first, second, third and fourth sub-tranche of the Tranche 1 RCBs, with an aggregate principal amount of \$2,000,000, to the Subscribers (the "301215 Tranche 1 RCBs") and allotted and issued 176,470,588 Consideration Shares at the issue price of \$0.0017 per Consideration Share for a total consideration of \$300,000, being the Initial Fee Payment Tranche relating to the 301215 Tranche 1 RCBs, to the Subscribers on 30 December 2015.

On 5 January 2016, the Company issued the fifth and sixth sub-tranche of the Tranche 1 RCBs, with an aggregate principal amount of \$1,000,000, to the Subscribers on 5 January 2016 (the "050116 Tranche 1 RCBs") and allotted and issued 88,235,294 Consideration Shares at the issue price of S\$0.0017 per Consideration Share for a total consideration of \$150,000, being the Initial Fee Payment Tranche relating to the 051116 Tranche 1 RCBs to the Subscribers on 5 January 2016.

On 15 January 2016 and 18 January 2016, the Subscribers exercised its right to convert RCBs with an aggregate principal value of \$500,000 (converted into 625,000,000 RCB Conversion Shares at the RCB Conversion Price of \$0.0008 per RCB Conversion Share) and \$700,000 (converted into 875,000,000 RCB Conversion Shares at the RCB Conversion Price of \$0.0008 per RCB Conversion Share), respectively. As at the date of this announcement, the principal value of RCBs yet to be converted amounted to \$1,800,000.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

MATTERS THAT AROSE DURING 2015 (Cont'd)

Issuance of 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to \$60,000,000 (Cont'd)

As at the date of this announcement, the utilisation of proceeds from the issuance of the 301215 Tranche 1 RCBs and 050116 Tranche 1 RCBs is as follows:

Purpose	Amount S\$'000	Percentage %
Settlement in accordance with the terms of the Set-off and Termination Agreement	1,699	57
Group's general working capital ⁽¹⁾	301	10
Arranger's fee on 301215 Tranche 1 RCBs and 050116 Tranche 1 RCBs issued	150	5
Expenses incurred by the Subscribers in connection with the preparation of the Subscription Agreement and the issuance of the RCBs according to the terms and conditions of the Subscription Agreement	40	1
Cash deposit placed in escrow with an escrow agent in connection with the proposed acquisition of 70% interest in GPE Power Systems Sdn Bhd as announced by the Company on 11 January 2016 ⁽²⁾	500	17
Total amount utilised as at the date of this Announcement	2,690	90
Balance of proceeds yet to be utilised	310	10
Total proceeds from the issuance of 301215 Tranche 1 RCBs and 050116 Tranche 1 RCBs	3,000	100

Notes:

(1) Funds used for the Group's general working capital were for payments to suppliers and operating expenses including staff salaries and professional fees.

(2) Please refer to the discussion in paragraph 8 on "Proposed acquisition of 70% of the issued share capital of GPE Power Systems Sdn Bhd" below

The use of proceeds is consistent with the use of proceeds for the RCBs as disclosed in the Circular.

The Company will make further announcements on the utilisation of the balance of proceeds from the issuance of the 050116 Tranche 1 RCBs as and when they are materially disbursed.

MATTERS THAT AROSE SUBSEQUENT TO FY2015 AND AS OF THE DATE OF THIS ANNOUNCEMENT

Board Changes

On 6 January 2016 and 20 January 2016, the Company announced changes in board composition including the appointment of Ms Sandra Liz Hon Ai Ling ("Ms Hon") as the Company's Executive Director and Chief Executive Officer as one of the measures undertaken by the Company to revitalise the strategies and operations of the Group and the Company.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

MATTERS THAT AROSE SUBSEQUENT TO FY2015 AND AS OF THE DATE OF THIS ANNOUNCEMENT (Cont'd)

Proposed acquisition of 70% of the issued share capital of GPE Power Systems Sdn Bhd ("GPE Power Systems")

The Company announced on 11 January 2016 that it had entered into a conditional sale and purchase agreement in respect of the proposed acquisition of 350,000 ordinary shares of GPE Power Systems for a consideration of \$1,837,500, to be satisfied in cash and payable in two (2) tranches, the first \$500,000 in cash as a deposit to be placed with a escrow agent (which the Company has disbursed as at the date of this announcement) and the balance of \$1,337,500 on the date of completion of the proposed acquisition, which is no later than 8 July 2016.

GPE Power Systems, a company incorporated in Malaysia, provides complete power generation solutions from sales and rental of power generators to providing a wide range of services support such as factory performance tests, reconditioning and repairing of generators and sales of related components, spare parts and accessories.

The proposed acquisition of GPE Power Systems is a strategic investment by the Group and will (i) allow the Group to strengthen its competitive advantage and its positioning as a solution provider of choice in the power generation industry; (ii) enable the Group to leverage on the strength of GPE Power Systems' power generation business to complement the business of the Group's existing businesses; (iii) lead to synergies that may result in better operational efficiency and increased cost savings; and (iv) allow the Group to gain access to new contracts, customers and business opportunities.

Please refer to the Company's announcement dated 11 January 2016 for more details on the proposed acquisition.

Proposed debt conversion and proposed grant of options to an investor

The Company announced on 11 February 2016 that it had entered into:

- (a) a debt conversion agreement dated 11 February 2016 (the "**Debt Conversion Agreement**") with an investor (the "**Investor**"), whereby the Company had agreed, for nominal consideration, to grant an option (the "**Debt Conversion Option**") to the Investor to convert the Assigned Debt (as defined herein) into Shares of the Company (the "**Debt Conversion**"); and
- (b) an option agreement (the "**Option Agreement**") dated 11 February 2016 with the Investor, whereby the Company proposes, for the aggregate consideration of \$50,000 (the "**Consideration**"), to issue to the Investor an aggregate of 5,555,555,555 transferable share options ("**Options**", and each an "**Option**"), with each Option carrying the right to subscribe for one (1) new ordinary Share ("**Option Share**") at an exercise price of at least \$0.0009 to raise an amount of up to S\$5,000,000 in aggregate (the "**Grant of Options**").

The proposed Debt Conversion followed LionGold's assigning its benefit under the LionGold Loans (as discussed above) to the Investor as announced by LionGold on 11 February 2016 (the "**Debt Assignment**"). Pursuant to the deed of assignment dated 11 February 2016 (the "**Deed of Assignment**") between LionGold and the Investor, the Deed of Assignment provides that the LionGold Loans will be assigned in three (3) portions, the last of which shall not be later than 18 months from the date the last of the conditions precedent specified in the Deed of Assignment is fully satisfied.

Under the terms of the Debt Conversion Agreement, the Company has agreed, subject to the fulfilment of all the conditions precedent, to grant the Investor the Debt Conversion Option to convert the Assigned Debt (as defined below), or any proportion thereof, into new Shares (the "**Debt Conversion Shares**") at a conversion price of S\$0.001 (the "**Debt Conversion Price**") per Debt Conversion Share, for an aggregate number of up to 3,504,878,770 Debt Conversion Shares upon the full exercise of the Debt Conversion Option. The exercisability of the Debt Conversion Option by the Investor is linked to the Debt Assignment and the Investor will only be able to exercise the Debt Conversion Option in respect of such amount of the LionGold Loans which have been assigned by LionGold to the Investor at any point in time pursuant to the Deed of Assignment (the "**Assigned Debt**").

The Debt Conversion Option will be exercisable in whole or in part in tranches of \$50,000 (convertible into 50,000,000 Debt Conversion Shares for each tranche exercised) at any time after the fulfilment of all the conditions precedent, and upon the assignment of the respective proportions of the Assigned Debt as provided for in the Deed of Assignment, until the maturity of the Debt Conversion Agreement.

The Debt Conversion Price and the number of Debt Conversion Shares will be adjusted proportionately in the event that the Company undertakes a stock split, reverse stock split, capitalisation issue, rights issue, capital reduction or distribution, such adjustment to be certified by auditors of the Company for the time being, acting as an independent expert.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).**

MATTERS THAT AROSE SUBSEQUENT TO FY2015 AND AS OF THE DATE OF THIS ANNOUNCEMENT (Cont'd)

Proposed debt conversion and proposed grant of options to an investor (Cont'd)

Upon exercise of the Debt Conversion Option (whether in full or in part) by the Investor, that portion of the LionGold Loans shall be deemed to be fully repaid under the LionGold Loan Facility and neither LionGold nor the Investor will have any claim whatsoever against the Company for the same.

The Debt Conversion Shares will, when allotted and issued pursuant to the Debt Conversion Option, be authorised, allotted, validly issued and credited as fully paid-up, be free from encumbrances, will be fully transferable and shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares including the right to receive dividends declared, made or paid, the books closure date of entitlement of which is on or after the date of issue of the Debt Conversion Shares, and shall not be subject to any pre-emptive right, rights of first refusal or other rights in favour of any other party to purchase or receive the same.

In addition, the Investor has committed to invest additional funds of up to \$5,000,000 into the Company pursuant to the Option Agreement under which the Company shall grant, and the Investor shall acquire, 5,555,555,555 Options for the cash consideration of \$50,000, with each Option carrying the right to subscribe for one (1) Option Share, subject to the terms and conditions of the Option Agreement. The Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of allotment of the Option Shares.

The Debt Conversion will extinguish the LionGold Loans owed by the Company and reduce the Company's debt burden, in the event that the Investor decides to exercise the Debt Conversion Option. The Investor is also a strategic investor in the Company and the Company believes that the Investor has and will continue to make contributions to the Group. The Grant of Options and issuance of the Option Shares is also to align the interests of the Investor with that of the Company as well as motivate the Investor generally to contribute towards the Group's long-term prosperity.

The proposed allotment and issuance of the Debt Conversion Shares and Option Shares are subject to approval by SGX-ST and Shareholders at an EGM to be convened.

OTHER MATTERS

Notices received from Commercial Affairs Department

As announced by the Company on 4 April 2014 and 29 April 2014, the Company and certain of its subsidiaries, being Industrial Power, P.J. Services Pte Ltd and Nu-Haven Incorporated, have provided certain information and documents for the period from 1 January 2011 to 3 April 2014 as required by the Commercial Affairs Department ("CAD") regarding its investigations into an offence under the Securities and Futures Act (Cap. 289). Since then, the Company has been cooperating fully with the CAD in its investigations. On 22 January 2016, the CAD confirmed to the Company's external auditors that its investigations are still ongoing. The CAD has not provided the Company with any further details or updates of its investigations. The business and day-to-day operations of the Group are not affected by the investigations and have continued as normal. However, the ongoing investigations have cast a negative outlook on the Group from the perspective of the financial institutions which are highly risk averse and pose limitations to the Group's growth and expansion plans.

Going concern assumption

The Group reported net loss of \$8,739,000 and net operating cash outflows of \$9,048,000 during FY2015 and its accumulated losses amounted to \$48,203,000 as at FY2015. These factors may cast doubt about the Group's and the Company's ability to continue as a going concern. Nevertheless, the Directors are of the view that it is appropriate for the financial statements of the Group and of the Company to be prepared on a going concern basis as proceeds of a further \$1,000,000 had been raised from the issuance of RCBs subsequent to FY2015 and the Company is targeting to raise additional proceeds of approximately \$10,250,000 from the first tranche of the RCBs in the next 12 months. Also, the proposed allotment and issuance of the Debt Conversion Shares and Option Shares are slated to strengthen the financial position of the Group. At the same time, the Directors are actively evaluating various strategies, including fund raising, acquisitions of suitable businesses as well as restructuring the Group's existing businesses or assets to improve the existing business and earnings base of the Group. While the Directors are reasonably positive that these strategies can be achieved, nonetheless, they are subject to market conditions.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).**

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's FY2015 operating results were in line with the expectations as disclosed in the Company's FY2014 Annual Report and the results for the six months financial period ended 30 June 2015 announced on 13 August 2015.

The Directors would like to bring the Shareholders' attention to the matters that arose in FY2015 and subsequent to FY2015 as discussed in paragraph 8 above, in particular, the board changes, the restructuring of the Group's operations, businesses and assets, the issuance of RCBs, the proposed debt restructuring and the move into the energy sector upon successful acquisition of GPE Power Systems, which are planned to improve the Group's overall financial position for the financial year ending 31 December 2016 and beyond.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Directors remain cautious in the near term as the South East Asian market, which the Group operates in and of which is dependent on the performance of the major world economies, is volatile. As the Group's core businesses require high internal working capital, the management constantly undertakes reviews of the Group's operating models, strategies and planning process to enable it to enhance its competitiveness and market presence. In addition, the Directors have undertaken measures as discussed in paragraphs 8 and 9 above to ensure the Group's continuous operations and growth.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No ordinary dividend has been recommended or declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared/recommended for the corresponding period of the immediately preceding financial year?

No ordinary dividend was recommended or declared.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared /recommended, a statement to that effect.

No dividend has been recommended or declared for the current financial period.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for interested person transactions.

During FY2015, there were no interested person transactions entered into by the Group pursuant to Chapter 9 of the Listing Manual Section B Rules of Catalist of the SGX-ST (the "Catalist Rules").

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Primary segment

Analysis by Geographical Segments – The group's activities are primarily based in Singapore, Malaysia and Indonesia.

	Singapore	Malaysia	Indonesia	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
For the financial year ended 31 December 2015					
Geographical segments by location of assets					
Revenue:					
External sales	23,089	2,518	1,344	(1,202)	25,749
Inter-segment sales	(1,189)	(13)	-	1,202	-
Total revenue	21,900	2,505	1,344	-	25,749
Results:					
Segment results	(16,046)	31	93	7,762	(8,160)
Interest income	283	2	-	(283)	2
Interest expense	(496)	(5)	-	283	(218)
Loss before income tax	(16,259)	28	93	7,762	(8,376)
Income tax	(14)	(9)	(41)	-	(64)
Net loss for the financial year	(16,273)	19	52	7,762	(8,440)
Other information:					
Capital expenditure	9	3	-	-	12
Depreciation	285	18	-	-	303
Amortisation of intangible assets					9
Impairment loss on property, plant and equipment					62
Impairment loss on investments in available-for-sale financial assets					16
					390

	Singapore	Malaysia	Indonesia	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets:					
Segment assets	25,647	1,308	651	(6,516)	21,090
Fixed deposits	170	72	-	-	242
Consolidated total assets					21,332
Liabilities:					
Segment liabilities	25,312	182	98	(13,576)	12,016
Borrowings	8,386	96	-	-	8,482
Current income tax liabilities	78	(58)	19	-	39
Deferred tax liabilities	-	7	16	-	23
Consolidated total liabilities					20,560

	Singapore	Malaysia	Indonesia	Thailand	Vietnam	Brunei and Myanmar	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical segments by customer base Revenue	1,463	2,830	190	18,024	423	2,345	474	25,749

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd).

Primary segment (Cont'd)

Analysis by Geographical Segments (Cont'd)

	Singapore	Malaysia	Indonesia	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
For the financial year ended 31 December 2014					

Geographical segments by location of assets

Revenue:					
External sales	26,400	2,594	1,533	(1,556)	28,971
Inter-segment sales	(1,538)	(18)	-	1,556	-
Total revenue	24,862	2,576	1,533	-	28,971

Results:					
Segment results	(21,682)	(52)	(91)	7,271	(14,554)
Share of loss of associated companies	(5)	-	-	-	(5)
Interest income	193	3	1	(179)	18
Interest expense	(251)	(6)	-	179	(78)
Loss before income tax	(21,745)	(55)	(90)	7,271	(14,619)
Income tax	-	(5)	132	-	127
Net loss for the financial year	(21,745)	(60)	42	7,271	(14,492)

Other information:					
Capital expenditure	59	12	-	-	71

Depreciation	304	20	-	-	324
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Amortisation of intangible assets					1,929
Impairment loss on intangible assets					4,259
Impairment loss on available-for-sale financial assets					557
					7,069

	Singapore	Malaysia	Indonesia	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000

Assets:					
Segment assets	23,446	1,507	1,306	(7,225)	19,034
Fixed deposits	210	81	-	-	291

Consolidated total assets					19,325
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Liabilities:					
Segment liabilities	16,489	213	806	(7,726)	9,782
Borrowings	287	116	-	-	403
Current income tax liabilities	64	(34)	1	-	31
Deferred tax liabilities	-	7	-	-	7

Consolidated total liabilities					10,223
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	Singapore	Malaysia	Indonesia	Thailand	Vietnam	Brunei and Myanmar	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Geographical segments by customer base								
Revenue	876	3,856	1,843	21,299	97	479	521	28,971

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd).

Secondary segment

Analysis by Business Segments

The Group operates in four product segments – engineering services, oil and gas equipment, biomass projects and investments and others.

The following table shows the revenue, the carrying amounts of segment assets and additions to property, plant and equipment, analysed by business segments:

	Revenue		Segment assets		Capital additions	
	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Engineering services	2,896	648	3,415	2,868	4	-
Oil and gas equipment	9,816	9,435	3,454	3,622	7	28
Biomass projects	13,037	18,888	11,386	8,694	1	43
Investments and others	-	-	3,077	4,141	-	-
	25,749	28,971	21,332	19,325	12	71

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

16. A breakdown of sales as follows:

	Group		
	FY2015	FY2014	Increase/ (Decrease)
	\$'000	\$'000	%
Revenue reported for first half year	12,324	16,616	(26)
Operating loss after tax before deducting non-controlling interest reported for first half year	(5,335)	(905)	NM
Revenue reported for second half year	13,425	12,355	9
Operating loss after tax before deducting non-controlling interest reported for second half year	(3,105)	(13,587)	(77)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

- (a) Ordinary: Not Applicable
- (b) Preference: Not Applicable
- (c) Total: Not Applicable

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officer in the format set out in Appendix 7H of the Catalist Rules.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704 (10) of the Catalist Rules, the Company confirms that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD
ANNICA HOLDINGS LIMITED**

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer
29 February 2016