

## **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 2020**

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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 2020 (“**FY2020**”) released by the Company on 1 March 2021.

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 FY2020 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 2020	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
GROUP	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	593	593	-	
Right of use assets	736	736	-	
Intangible assets	36	36	-	
Financial assets at fair value through profit or loss	3	3	-	
Trade and other receivables	33	-	33	(a)
	1,401	1,368	33	
<b>Current assets</b>				
Cash and cash equivalents	1,393	1,393	-	
Fixed deposits	552	552	-	
Trade and other receivables	6,458	6,628	(33)	(a)
			(165)	(b)
			13	(c)
			15	(d)
Inventories	536	371	165	(b)
Financial assets at fair value through profit or loss	5	5	-	
	8,944	8,949	(5)	
<b>Total assets</b>	<b>10,345</b>	<b>10,317</b>	<b>28</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	1,545	1,545	-	
Provision for employee benefits	94	94	-	
Deferred tax liabilities	42	42	-	
	1,681	1,681	-	
<b>Current liabilities</b>				
Trade and other payables	4,222	4,209	13	(c)
Contract liabilities	749	734	15	(d)
Borrowings	474	474	-	
Tax payable	1	1	-	
	5,446	5,418	28	
<b>Total liabilities</b>	<b>7,127</b>	<b>7,099</b>	<b>28</b>	
<b>Net assets</b>	<b>3,218</b>	<b>3,218</b>	<b>-</b>	
<b>EQUITY</b>				
Share capital	67,801	67,801	-	
Other reserves	(1,746)	(1,746)	-	
Accumulated losses	(62,834)	(62,834)	-	
Equity attributable to equity holders of the Company	3,221	3,221	-	
Non-controlling interests	(3)	(3)	-	
<b>Total equity</b>	<b>3,218</b>	<b>3,218</b>	<b>-</b>	

Statement of Financial Position as at 31 December 2020	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
COMPANY	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	135	136	(1)	*
Right of use assets	209	209	-	
Investments in subsidiaries	2,151	2,151	-	
Trade and other receivables	330	-	165	(e)
			165	(f)
Lease receivables	-	165	(165)	(e)
	2,825	2,661	164	
<b>Current assets</b>				
Cash and cash equivalents	110	110	-	
Trade and other receivables	3,421	3,484	(165)	(f)
			102	(g)
Lease receivables	-	102	(102)	(g)
Financial assets at fair value through profit or loss	101	100	1	*
	3,632	3,796	(164)	
<b>Total assets</b>	<b>6,457</b>	<b>6,457</b>	-	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	283	283	-	
	283	283	-	
<b>Current liabilities</b>				
Trade and other payables	3,590	3,590	-	
Borrowings	194	194	-	
	3,784	3,784	-	
<b>Total liabilities</b>	<b>4,067</b>	<b>4,067</b>	-	
<b>Net assets</b>	<b>2,390</b>	<b>2,390</b>	-	
<b>EQUITY</b>				
Share capital	67,801	67,801	-	
Accumulated losses	(65,500)	(65,500)	-	
Other reserves	89	89	-	
<b>Total equity</b>	<b>2,390</b>	<b>2,390</b>	-	

\*Rounding differences

Consolidated Statement of Profit or Loss for the Financial Year ended 31 December 2020	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Revenue	10,906	10,906	-	
Cost of sales	(7,408)	(7,408)	-	
<b>Gross profit</b>	<b>3,498</b>	<b>3,498</b>	-	
Other income	436	433	3	(h)
Interest income	225	225	-	
Selling and distribution expenses	(121)	(121)	-	
Administrative and general expenses	(4,056)	(4,065)	9	(i)
Other expenses	(82)	(58)	(24)	(j)
Impairment losses on trade and other receivables	(933)	(957)	24	(j)
Finance costs	(53)	(41)	(3)	(h)
			(9)	(i)
<b>Loss before tax</b>	<b>(1,086)</b>	<b>(1,086)</b>	-	
Tax expense	(113)	(113)	-	
<b>Loss for the financial year</b>	<b>(1,199)</b>	<b>(1,199)</b>	-	
<b>Other comprehensive income</b> <i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation	34	34	-	
<b>Other comprehensive income for the financial year, net of tax</b>	<b>34</b>	<b>34</b>	-	
<b>Total comprehensive loss for the financial year</b>	<b>(1,165)</b>	<b>(1,165)</b>	-	
<b>Total loss attributable to:</b>				
- Equity holders of the Company	(1,136)	(1,136)	-	
- Non-controlling interests	(63)	(63)	-	
	<b>(1,199)</b>	<b>(1,199)</b>	-	
<b>Total comprehensive loss attributable to:</b>				
- Equity holders of the Company	(1,102)	(1,102)	-	
- Non-controlling interests	(63)	(63)	-	
	<b>(1,165)</b>	<b>(1,165)</b>	-	

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2020	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
<b>Cash flows from operating activities</b>				
Loss before tax	(1,086)	(1,086)	-	
Adjustments for:				
Depreciation of property, plant and equipment	98	98	-	
Depreciation of right-of-use assets	194	194	-	
Fair value gain on redeemable convertible bonds	(44)	(41)	(3)	
Fair value loss on financial assets at fair value through profit or loss	1	1	-	
Loss on disposal of property, plant and equipment	4	4	-	
Impairment losses on trade and other receivables	933	933	-	
Bad debts written off	24	24	-	
Reversal of inventories previously written down	(21)	-	(21)	
Interest expenses	53	41	12	
Interest income	(225)	(225)	-	
Loss on lease modification	10	10	-	
<b>Operating cash flows before working capital changes</b>	<b>(59)</b>	<b>(47)</b>	<b>(12)</b>	
Changes in working capital:				
Inventories	(240)	(96)	(144)	
Payables and contract liabilities	800	786	14	
Receivables	(208)	(345)	137	
Currency translation adjustments	4	4	-	
<b>Cash generated from operations</b>	<b>297</b>	<b>302</b>	<b>(5)</b>	
Income tax paid	(138)	(138)	-	
<b>Net cash generated from operating activities</b>	<b>159</b>	<b>164</b>	<b>(5)</b>	(k)
<b>Cash flows from investing activities</b>				
Interest received	8	8	-	
Purchase of property, plant and equipment	(503)	(504)	1	*
Proceeds from disposals of property, plant and equipment	31	32	(1)	*
<b>Net cash used in investing activities</b>	<b>(464)</b>	<b>(464)</b>	-	
<b>Cash flows from financing activities</b>				
Interest paid for term loan	-	(5)	5	
Interest paid for bank loans	(15)	(11)	(4)	
Interest paid for lease liabilities	(8)	(7)	(1)	*
Interest paid for redeemable convertible bonds	-*	(6)	6	
Loan from a third party	138	138	-	
Placement of fixed deposit pledged	(228)	(228)	-	
Proceeds from bank loans	1,300	1,300	-	
Repayment of borrowings	(554)	(555)	1	*
Repayment of lease liabilities	(218)	(219)	1	*
<b>Net cash generated from financing activities</b>	<b>415</b>	<b>407</b>	<b>8</b>	(l)
<b>Net decrease in cash and cash equivalents</b>	<b>110</b>	<b>107</b>	<b>3</b>	
Cash and cash equivalents at beginning of the financial year	1,206	1,206	-	
Effects of foreign currency translation on cash and cash equivalents	(15)	(12)	(3)	
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,301</b>	<b>1,301</b>	-	

\*Rounding differences

Explanatory Notes:

- (a) Reclassification of "Trade and other receivables" of \$33,000 from "Current assets – Trade and other receivables" to "Non-current assets – Trade and other receivables" in the Statement of Financial Position of the Group.
- (b) Reclassification of "Inventories" of \$165,000 from "Current assets – Trade and other receivables" to "Current assets – Inventories" in the Statement of Financial Position of the Group.
- (c) Adjustment of "Trade and other payables" of \$13,000 from "Current assets – Trade and other receivables" to "Current liabilities - Trade and other payables" in the Statement of Financial Position of the Group.
- (d) Adjustment of "Contract liabilities" of \$15,000 from "Current assets – Trade and other receivables" to "Current liabilities – Contract liabilities" in the Statement of Financial Position of the Group.
- (e) Reclassification of "Lease receivables" of \$165,000 from "Non-current assets – Lease receivables" to "Non-current assets – Trade and other receivables" in the Statement of Financial Position of the Company.
- (f) Reclassification of "Loan to a subsidiary" of \$165,000 from "Current assets – Trade and other receivables" to "Non-current assets – Trade and other receivables" in the Statement of Financial Position of the Company.
- (g) Reclassification of "Lease receivables" of \$102,000 from "Current assets – Lease receivables" to "Current assets – Trade and other receivables" in the Statement of Financial Position of the Company.
- (h) Reclassification of "Amortisation expenses of Redeemable Convertible Bonds" of \$3,000 from "Other Income" to "Finance Costs".
- (i) Reclassification of "Interest expense on employee benefit" of \$9,000 from "Administrative and general expenses" to "Finance Costs".
- (j) Reclassification of "Bad debt written off" of \$24,000 from "Impairment losses on trade and other receivables" to "Other expenses".
- (k) Adjustments to net cash generated from operating activities of \$5,000 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.
- (l) Adjustments to net cash generated from financing activities of \$8,000 in the Consolidated Statement of Cash Flows as a result of adjustments to "Interest paid for term loan" of \$5,000, "Interest paid for bank loans" of \$4,000 and "Interest paid for redeemable convertible bonds" of \$6,000.

By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

14 April 2021

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*This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes 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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