

ANNICA HOLDINGS LIMITED

Condensed Interim Financial Statements For The First Quarter Financial Period Ended 31 March 2022

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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For the purpose of this announcement, "1Q2022" refers to the three-month financial period ended 31 March 2022, whereas "1Q2021" refers to the three-month financial period ended 31 March 2021. "FY2021" refers to the full financial year ended 31 December 2021.

As disclosed in the Company's announcement on 15 April 2022, the Singapore Exchange Regulation has, on 14 April 2022, advised that it has no objection to the Company's application for an extension of time to hold its annual general meeting and issue its sustainability report for FY2021 (subject to certain conditions) ("**Extension of Time**"). Accordingly, the Company's annual report and audited consolidated financial statements for FY2021 have not been finalised nor announced as at the date of this announcement, and references to "FY2021" figures throughout this announcement refer to the figures as disclosed in the Company's unaudited condensed interim financial statements for the fourth quarter financial period and financial year ended 31 December 2021, as announced on 25 February 2022.

Pursuant to Rule 705(2C) of the SGX-ST Listing Manual Section B: Rules of Catalyst, Annica Holdings Limited (the "**Company**") is required by the SGX-ST to announce its quarterly financial statements.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

		Group		Increase/ (Decrease)
		1Q2022	1Q2021	
Note		S\$'000	S\$'000	%
Revenue	4	1,003	829	21
Cost of sales		(623)	(637)	(2)
Gross profit		380	192	98
Other income		173	221	(22)
Interest income		52	54	(4)
Selling and distribution expenses		(77)	(13)	NM
Administrative and general expenses		(1,018)	(994)	2
Other expenses		(1)	(1)	NM
Impairment losses on trade and other receivables		-	-	NM
Finance costs		(67)	(11)	NM
Loss before tax	6	(558)	(552)	1
Tax expense	7	(18)	-	NM
Loss for the financial period		(576)	(552)	4
Other comprehensive loss				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		(19)	(38)	(50)
Other comprehensive loss for the financial period, net of tax		(19)	(38)	(50)
Total comprehensive loss for the financial period		(595)	(590)	1

NM: Not Meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (cont'd)

		Group		
	1Q2022	1Q2021		Increase/ (Decrease)
Note	S\$'000	S\$'000		%
Loss attributable to:				
- Equity holders of the Company	(542)	(543)		NM
- Non-controlling interests	(34)	(9)		NM
Loss for the financial period	<u>(576)</u>	<u>(552)</u>		4
 Total comprehensive loss attributable to:				
- Equity holders of the Company	(561)	(581)		(3)
- Non-controlling interests	(34)	(9)		NM
Total comprehensive loss for the financial period	<u>(595)</u>	<u>(590)</u>		1
 Loss per share for loss attributable to the equity holders of the Company (cents per share)				
- Basic and diluted	<u>(0.0033)</u>	<u>(0.0033)</u>		NM

NM: Not Meaningful

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	Group		Company	
		As at 1Q2022 S\$'000	As at FY2021 S\$'000	As at 1Q2022 S\$'000	As at FY2021 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	445	437	73	86
Right-of-use assets		508	502	100	116
Intangible assets	11	41	41	-	-
Investments in subsidiaries		-	-	2,151	2,151
Investment in an associate		-	-	-	-
Financial assets at fair value through profit or loss	10	3	3	-	-
Trade and other receivables	13	-	-	196	223
		997	983	2,520	2,576
Current assets					
Cash and cash equivalents		565	731	51	65
Fixed deposits		490	654	-	-
Trade and other receivables	13	5,557	5,592	3,688	3,590
Inventories		973	900	-	-
Financial assets at fair value through profit or loss	10	-	-	96	96
		7,585	7,877	3,835	3,751
Total assets		8,582	8,860	6,355	6,327
LIABILITIES					
Non-current liabilities					
Trade and other payables		-	-	-	-
Borrowings	14	918	1,026	62	96
Provision for employee benefits		93	94	-	-
Deferred tax liabilities		22	22	-	-
		1,033	1,142	62	96
Current liabilities					
Trade and other payables		3,945	4,319	4,986	4,608
Contract liabilities		1,255	533	-	-
Borrowings	14	793	714	179	186
Tax payable		2	3	-	-
		5,995	5,569	5,165	4,794
Total liabilities		7,028	6,711	5,227	4,890
Net assets		1,554	2,149	1,128	1,437
EQUITY					
Share capital	15	67,801	67,801	67,801	67,801
Accumulated losses		(64,357)	(63,815)	(66,762)	(66,453)
Other reserves		(1,834)	(1,815)	89	89
Equity attributable to equity holders of the Company		1,610	2,171	1,128	1,437
Non-controlling interests		(56)	(22)	-	-
Total equity		1,554	2,149	1,128	1,437

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Note	Group	
		1Q2022 S\$'000	1Q2021 S\$'000
Cash flows from operating activities			
Loss before tax		(558)	(552)
Adjustments for:			
Depreciation of property, plant and equipment	6	54	49
Depreciation of right-of-use assets	6	59	58
Interest expenses	6	67	11
Interest income	6	(52)	(54)
Operating cash flows before working capital changes		(430)	(488)
Changes in working capital:			
Inventories		(73)	36
Payables and contract liabilities		366	549
Receivables		11	(265)
Currency translation difference		(28)	(44)
Cash used in operations		(154)	(212)
Income tax paid		(35)	-
Net cash used in operating activities		(189)	(212)
Cash flows from investing activities			
Interest received		1	1
Purchase of property, plant and equipment		(10)	(8)
Net cash used in investing activities		(9)	(7)
Cash flows from financing activities			
Interest paid for bank loans		(8)	(8)
Interest paid for lease liabilities		(2)	(2)
Interest paid for third party		-	(12)
Release of fixed deposit pledged		162	-
Proceeds of borrowings		168	-
Repayment of principal portion of borrowings		(230)	(139)
Repayment of principal portion of lease liabilities		(53)	(50)
Net cash generated from/(used in) financing activities		37	(211)
Net decrease in cash and cash equivalents		(161)	(430)
Cash and cash equivalents at beginning of the financial period		731	1,301
Effects of foreign currency translation on cash and cash equivalents		(5)	9
Cash and cash equivalents at end of the financial period		565	880
Cash and cash equivalents at end of the financial period were made up of:			
Cash and cash equivalents		565	972
Deposit placed in cash margin account		-	(92)
		565	880

(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 year.

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Group							
Balance as at 1 January 2022		67,801	(63,815)	(1,815)	2,171	(22)	2,149
Loss for the financial period		-	(542)	-	(542)	(34)	(576)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(19)	(19)	-	(19)
Total comprehensive loss for the financial period		-	(542)	(19)	(561)	(34)	(595)
Balance as at 31 March 2022		67,801	(64,357)	(1,834)	1,610	(56)	1,554
Balance as at 1 January 2021		67,801	(62,834)	(1,746)	3,221	(3)	3,218
Loss for the financial period		-	(543)	-	(543)	(9)	(552)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(38)	(38)	-	(38)
Total comprehensive loss for the financial period		-	(543)	(38)	(581)	(9)	(590)
Balance as at 31 March 2021		67,801	(63,377)	(1,784)	2,640	(12)	2,628

(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 year. (cont'd)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (cont'd)**

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Company					
Balance as at 1 January 2022		67,801	(66,453)	89	1,437
Loss and total comprehensive loss for the financial period		-	(309)	-	(309)
Balance as at 31 March 2022		67,801	(66,762)	89	1,128
Balance as at 1 January 2021		67,801	(65,500)	89	2,390
Loss and total comprehensive loss for the financial period		-	(206)	-	(206)
Balance as at 31 March 2021		67,801	(65,706)	89	2,184

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Annica Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist board of the Singapore Exchange. These condensed interim consolidated financial statements as at 31 March 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The primary activity of the Company is that of investment holdings.

The principal activities of the Group are:

- (a) trading in oilfield equipment and related products;
- (b) designing of industrial plant engineering services systems and general wholesaler and trader;
- (c) provision of designing, engineering, procurement, construction and commissioning of solar photovoltaic system and related products;
- (d) operation of generation facilities that produce electric energy, manufacturing of any fabricated metal products and construction of utility project; and
- (e) investment holding.

2. Basis of preparation

The condensed interim financial statements for 1Q2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last unaudited interim financial statements for the fourth quarter financial period and financial year ended 31 December 2021.

The accounting policies adopted for the condensed interim financial statements for 1Q2022 are consistent with those of the previous financial year, FY2021, which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

On 1 January 2022, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the financial period. The adoption of these new or amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for FY2020 and the unaudited condensed interim financial statements of the Group as at and for the financial year ended 31 December 2021. As disclosed in the Company’s announcement on 15 April 2022, the Singapore Exchange Regulation has, on 14 April 2022, advised that it has no objection to the Company’s application for an extension of time to hold its annual general meeting and issue its sustainability report for FY2021 (subject to certain conditions). Accordingly, the annual report and the audited consolidated financial statements for FY2021 have not been finalised nor announced as at the date of this announcement.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 10.1 – Fair value measurement

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Note 11 – Intangible assets
- Note 13 – Trade and other receivables

3. Seasonal operations

The Group’s businesses were not affected significantly by seasonal or cyclical factors during 1Q2022.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Oil and Gas Equipment;
- Engineering Services; and
- Investments and Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company’s Executive Director and Chief Executive Officer, Sandra Liz Hon Ai Ling and the Board of Directors who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 Reportable segments

	Engineering services S\$'000	Oil and gas equipment S\$'000	Investments and others S\$'000	Elimination S\$'000	Total S\$'000
1Q2022					
Revenue					
External sales	213	790	-	-	1,003
Inter-segment sales	-	-	-	-	-
Total revenue	213	790	-	-	1,003
Interest income	-	1	52	(1)	52
Other income	2	161	42	(32)	173
Total other income	2	162	94	(33)	225
Total revenue and other income	215	952	94	(33)	1,228
Depreciation of PPE	(3)	(37)	(14)	-	(54)
Depreciation of ROU assets	(7)	(29)	(23)	-	(59)
Interest expense	(2)	(65)	(1)	1	(67)
Segment profit	203	821	56	(32)	1,048
Unallocated expenses	(246)	(1,002)	(390)	32	(1,606)
Loss before tax	(43)	(181)	(334)	-	(558)
Tax expense	(1)	(17)	-	-	(18)
Loss for the interim period	(44)	(198)	(334)	-	(576)
1Q2022					
Assets					
Non-current assets	55	725	209	5	994
Other segment assets	713	5,964	6,686	(5,775)	7,588
Consolidated total assets	768	6,689	6,895	(5,770)	8,582
Expenditures for segment non-current assets					
Additions to PPE	-	9	1	-	10
Additions to ROU assets	-	59	9	-	68
	-	68	10	-	78
Liabilities					
Segment liabilities	694	2,390	5,487	(3,278)	5,293
Borrowings	294	1,315	402	(300)	1,711
Deferred tax liabilities	-	22	-	-	22
Tax payable	2	-	-	-	2
Consolidated total liabilities	990	3,727	5,889	(3,578)	7,028

4.1 Reportable segments (cont'd)

	Engineering services S\$'000	Oil and gas equipment S\$'000	Investments and others S\$'000	Elimination S\$'000	Total S\$'000
1Q2021					
Revenue					
External sales	-	829	-	-	829
Inter-segment sales	-	-	-	-	-
Total revenue	-	829	-	-	829
Interest income	-	1	53	-	54
Other income	4	153	105	(41)	221
Total other income	4	154	158	(41)	275
Total revenue and other income	4	983	158	(41)	1,104
Depreciation of PPE	(3)	(33)	(13)	-	(49)
Depreciation of ROU assets	(7)	(28)	(23)	-	(58)
Interest expense	(3)	(7)	(1)	-	(11)
Segment profit	(9)	915	121	(41)	986
Unallocated expenses	(78)	(1,198)	(293)	31	(1,538)
Loss before tax	(87)	(283)	(172)	(10)	(552)
Tax expense	-	-	-	-	-
Loss for the interim period	(87)	(283)	(172)	(10)	(552)
FY2021					
Assets					
Non-current assets	65	672	243	-	980
Other segment assets	625	6,077	6,615	(5,437)	7,880
Consolidated total assets	690	6,749	6,858	(5,437)	8,860
Expenditures for segment non-current assets					
Additions to PPE	4	44	4	-	52
Additions to ROU assets	-	12	-	-	12
	4	56	4	-	64
Liabilities					
Segment liabilities	546	2,208	5,069	(2,877)	4,946
Borrowings	320	1,303	444	(327)	1,740
Deferred tax liabilities	-	22	-	-	22
Tax payable	2	1	-	-	3
Consolidated total liabilities	868	3,534	5,513	(3,204)	6,711

4.2 Disaggregation of Revenue

	Group 1Q2022			
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	2	769	-	771
Services rendered	211	21	-	232
	<u>213</u>	<u>790</u>	<u>-</u>	<u>1,003</u>
Timing of revenue recognition:				
At a point in time	213	790	-	1,003
Over time	-	-	-	-
	<u>213</u>	<u>790</u>	<u>-</u>	<u>1,003</u>
Geographical information:				
Singapore	211	93	-	304
Malaysia	2	378	-	380
Indonesia	-	45	-	45
Thailand	-	90	-	90
Vietnam	-	-	-	-
Brunei & Myanmar	-	183	-	183
Others	-	-	-	-
	<u>213</u>	<u>790</u>	<u>-</u>	<u>1,003</u>

	1Q2021			
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	-	826	-	826
Services rendered	-	3	-	3
	<u>-</u>	<u>829</u>	<u>-</u>	<u>829</u>
Timing of revenue recognition:				
At a point in time	-	829	-	829
Over time	-	-	-	-
	<u>-</u>	<u>829</u>	<u>-</u>	<u>829</u>
Geographical information:				
Singapore	-	253	-	253
Malaysia	-	387	-	387
Indonesia	-	66	-	66
Thailand	-	57	-	57
Vietnam	-	-	-	-
China	-	-	-	-
Brunei & Myanmar	-	52	-	52
Others	-	14	-	14
	<u>-</u>	<u>829</u>	<u>-</u>	<u>829</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 December 2021:

	Note	Group		Company	
		1Q2022 S\$'000	FY2021 S\$'000	1Q2022 S\$'000	FY2021 S\$'000
Financial Assets					
Financial assets at fair value through profit or loss	10	3	3	96	96
Cash and bank balances and trade and other receivables (Amortised cost)		5,484	6,490	3,896	3,857
		<u>5,487</u>	<u>6,493</u>	<u>3,992</u>	<u>3,953</u>
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		5,605	5,918	5,114	4,762

6. Loss before taxation

6.1 Significant items

	Group	
	1Q2022 S\$'000	1Q2021 S\$'000
Income		
Interest income from bank and deposits	1	1
Interest income from a third party	51	53
Miscellaneous income	16	64
Government grant received	1	97
Extension fees on amount due from Ms Chong Shin Mun	15	15
Exhibition income	81	-
Foreign currency exchange gain, net	59	44
Expenses		
Interest expenses on borrowings	65	9
Interest expenses on lease liabilities	2	2
Depreciation of property, plant and equipment	54	49
Depreciation of right of use assets	59	58

6.2 Related party transactions

There were no material related party transactions in 1Q2022.

7. Taxation

	1Q2022 S\$'000	1Q2021 S\$'000
Current income tax expense	18	-
Deferred income tax expense/(income)	-	-
	<u>18</u>	<u>-</u>

8. Dividends

No dividend has been declared during 1Q2021 and 1Q2022.

9. Net Asset Value

	Group		Company	
	1Q2022	FY2021	1Q2022	FY2021
Net asset value per ordinary share of the Company ("Share") based on the issued Shares at the end of the financial period reported on (in cents)	0.010	0.013	0.007	0.009

Net asset value per ordinary share of the Group as at 1Q2022 was calculated by dividing the Group's net asset value attributable to equity holders as at 1Q2022 of S\$1,578,000 (FY2021: S\$2,171,000) by the number of issued ordinary shares of the Company as at 1Q2022 of 16,674,767,048 (FY2021: 16,674,767,048).

Net asset value per ordinary share of the Company as at 1Q2022 was calculated by dividing the Company's net asset value attributable to equity holders as at 1Q2022 of S\$1,128,000 (FY2021: S\$1,437,000) by the number of issued ordinary shares of the Company as at 1Q2022 of 16,674,767,048 (FY2021: 16,674,767,048).

10. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprise the following:

	Group	
	1Q2022 S\$'000	FY2021 S\$'000
Quoted equity investments on the SGX-ST	3	3

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 31 March 2022				
Financial assets				
FVTPL investments (Quoted investments)	3	-	-	3
Group – 31 December 2021				
Financial assets				
FVTPL investments (Quoted investments)	3	-	-	3

11. Intangible assets

Goodwill on consolidation

	Group S\$'000
At 31 December 2021	41
Acquisition of subsidiary	-
At 31 March 2022	41

12. Property, plant and equipment

During 1Q2022, the Group acquired plant and equipment amounting to S\$10,000 (31 December 2021: S\$52,000) and did not dispose of any plant and equipment (31 December 2021: S\$7,000).

13. Trade and other receivables

Trade and other receivables comprise the following:

	1Q2022 S\$'000	FY2021 S\$'000
Trade and other receivables		
Trade receivables	950	1,710
Other receivables:		
GPE Power Systems (M) Sdn. Bhd. ("GPE")	3,186	3,147
Advance billings from suppliers	936	366
Chong Shin Mun	183	156
Others	281	213
	4,586	3,882
	5,536	5,592

13.1 Ageing profile of trade and other receivables

	1Q2022				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	237	70	70	70	27
Oil and gas equipment	711	402	54	212	43
Investments and others	2	-	-	-	2
	950	472	124	282	72
Other receivables					
Engineering services	36	12	-	-	24
Oil and gas equipment	984	984	-	-	-
Investments and others	3,566	212	21	23	3,310
	4,586	1,208	21	23	3,334
	5,536	1,680	145	305	3,406

	FY2021				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	57	26	-	6	25
Oil and gas equipment	1,651	1,517	93	29	12
Investments and others	2	-	-	-	2
	1,710	1,543	93	35	39
Other receivables					
Engineering services	35	11	-	-	24
Oil and gas equipment	380	380	-	-	-
Investments and others	3,467	180	22	23	3,242
	3,882	571	22	23	3,266
	5,592	2,114	115	58	3,305

14. Borrowings

	1Q2022			FY2021		
	Secured Borrowings	Unsecured Borrowings	Lease Liabilities	Secured Borrowings	Unsecured Borrowings	Lease Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	333	265	195	333	188	193
Amount repayable after one year	838	-	80	919	-	107

The secured bank borrowings and credit facilities of the Group are secured over the Group's leasehold properties, fixed deposits, corporate guarantee by the Company and personal guarantees from the directors of the Company's subsidiaries during 1Q2022 and FY2021.

15. Share Capital

	The Group and the Company			
	1Q2022		FY2021	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of interim period	16,674,767	67,801	16,674,767	67,801
Issuance of new ordinary shares	-	-	-	-
End of interim period	<u>16,674,767</u>	<u>67,801</u>	<u>16,674,767</u>	<u>67,801</u>

There were no changes in the Company's share capital for 1Q2022 since the end of FY2021.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 year.

There were no changes in the Company's share capital for 1Q2022 since the end of FY2021.

There are no shares that may be issued on conversion of any outstanding convertibles as at the end of the current financial period except as follows:

- Grant of Options pursuant to the Annica Employee Share Option Scheme:

Pursuant to the Annica Employee Share Option Scheme ("**Option Scheme**"), the Company had on 27 December 2018 granted employee share options ("**ESOS**") consisting of 42,500,000 Shares, the details of which are as follows:

(a) Date of grant of ESOS	27 December 2018
(b) Exercise Price of ESOS granted	S\$0.001 per Share
(c) Number of Shares comprised in the ESOS granted	42,500,000
(d) Number of Shares comprised in the ESOS granted to each Director and controlling shareholders (and each of their associates)	None
(e) Market Price of the Shares on the Date of Grant	S\$0.001
(f) Validity period of the ESOS	28 December 2019 – 27 December 2028 (both dates inclusive) ESOS shall only be exercisable after the 1 st anniversary from the Date of Grant and shall be exercised before the 10 th anniversary of the Date of Grant.

As at the date of this announcement, no ESOS has been exercised by the respective ESOS holders.

On 24 May 2021, Mr. Looi Kok Soon ("**Mr. Looi**") resigned as managing director of Cahya Suria Services Sdn Bhd ("**CSS**"). In connection with Mr. Looi's resignation, the 12,500,000 options previously awarded to him under the Annica Employee Share Option Scheme have, to the extent unexercised, lapsed and become null and void upon him ceasing to be a director of CSS.

As at 31 March 2022, the number of shares that may be issued on conversion of all the outstanding convertible securities was 30,000,000 (31 December 2021: 30,000,000) which represented approximately 0.18% (31 December 2021: 0.18%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 31 March 2022 and 31 December 2021.

(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 1Q2022	As at FY2021
Total number of issued shares excluding treasury shares ('000)	16,674,767	16,674,767

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

Not applicable. The Company did not hold any treasury shares as at 31 March 2022 and 31 December 2021.

(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company's subsidiaries did not hold any shares in the Company as at 31 March 2022 and 31 December 2021.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**
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 modifications or emphasis of a matter).**
Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

As disclosed in the Company's annual report for the financial year ended 31 December 2020, being the latest annual report available as at the date of this announcement in view of the Extension of Time, the Company's auditors were unable to obtain sufficient appropriate audit evidence that (i) no further allowance for impairment loss is required with respect to the remaining consideration receivable of S\$140,000 and (ii) no allowance for impairment loss is required with respect to receivables from a former subsidiary which amounted to S\$2,992,000. The Company's auditors were also unable to obtain sufficient appropriate audit evidence with respect to the cash flows that can be received by the Group and the Company in settlement of the said receivables mentioned in sub-point (ii) above.

For the purposes of this section, unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Company's announcements on 26 July 2018, 29 October 2018, 15 January 2019, 15 February 2019, 2 May 2019, 20 May 2019, 31 May 2019, 9 June 2019, 27 June 2019, 19 July 2019, 13 August 2019, 27 August 2019, 3 October 2019, 5 November 2019, 11 November 2019, 12 November 2019, 26 November 2019, 9 December 2019, 15 December 2019, 4 February 2020, 2 March 2020, 9 March 2020, 1 May 2020, 14 May 2020, 22 May 2020, 23 June 2020, 21 August 2020, 28 August 2020, 25 September 2020, 19 October 2020, 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021 and 20 October 2021.

In respect of audit issue (i) above, as disclosed in the Company's announcements on 19 October 2020 and 9 March 2021, the Company initially contemplated the appointment of a law firm to commence legal action against the Purchaser and the Guarantor for the purposes of recovering the outstanding Fourth Tranche Consideration as the amounts demanded under the Letters of Demand which had been served on the Purchaser and the Guarantor on 25 September 2020 (the "**Demanded Amounts**"), further details of which are provided in the Company's announcements dated 25 September 2020 and 19 October 2020, had not been received by the Company as of 19 October 2020. However, as the Company had updated shareholders in its 20 October 2021 announcement, the Company had on the same day received a total of S\$100,000 from the said sale of Controlled Shares and Further Controlled Shares, and the same has been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser.

As subsequently disclosed in the Company's announcements dated 1 March 2021, 9 March 2021, 14 April 2021 and 20 April 2021, on the advice of the Company's legal advisors, prior to the commencement of legal action, the Company had sought a written consent from the Purchaser to waive her jurisdictional rights in Singapore in favour of Malaysia, due to cost considerations. The waiver was received by the Company from the Purchaser on 14 December 2020.

Following receipt of the waiver, the Purchaser informed the Company of a new offer for the proposed sale of her assets and requested for additional time to complete the sale, which proceeds have been assigned to the Company to satisfy the Demanded Amounts. As a result of this new development, the Board had deliberated at length during its meeting in December 2020 and decided to stay its earlier decision to commence legal action and grant the Purchaser reasonable time to settle the Demanded Amounts through the sale of her assets. In arriving at their decision, the Board had considered that:

- (a) the Purchaser had, in addition to the existing security, assigned the proceeds of the sale of the Purchaser's assets to the Company; and
- (b) the Purchaser had provided the Company with a total of 810,000,000 shares amounting to S\$810,000. Save for the 140,000,000 shares with a value amounting to S\$140,000 which had yet to be monetized as at the time of the board meeting, 670,000,000 shares amounting to S\$670,000 given to the Company as partial payment towards the Purchase Price had been monetized successfully without commencing legal action.

Furthermore, the Board has also weighed the legal costs, time and potential recoverability of the Demanded Amounts against any potential detriment to the Company for staying the legal action and is of the view that there is no significant detriment to the Company in staying the legal action for a reasonable period, and any legal action may actually adversely impact any potential sale of the Purchaser's assets and the Purchaser's ability to satisfy the Demanded Amounts.

On 20 October 2021, the Purchaser had completed the transfer of 37,330,000 Controlled Shares under the 27 June 2019 Share Charge, 50,000,000 Further Controlled Shares under the 12 December 2019 Share Charge, and 12,670,000 Further Controlled Shares under the 9 March 2020 Share Charge to an independent third-party investor. The Company received a total of S\$100,000 from the said sale of Controlled Shares and Further Controlled Shares, and the same has been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser. As at the date of this announcement, 40,000,000 Controlled Shares under the 27 June 2019 Share Charge remain, while all the Further Controlled Shares (under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge) have been fully disposed of. The Company is actively engaging with potential investors to dispose of the remaining 40,000,000 Controlled Shares. As at the date of this announcement, the total amount outstanding from the Purchaser is S\$1,127,204 (of which S\$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual report for FY2020).

In respect of audit issue (ii) above, on 15 January 2020, the Purchaser had granted 100,000,000 shares in the Company to the Company towards satisfying the outstanding scheduled payment of S\$100,000 on behalf of GPE. On 31 March 2020, the Company received S\$30,000 in cash from GPE, being the scheduled payment specified under the loan restructuring agreement. On 11 June 2020, the Company had sold the 100,000,000 shares granted by Ms. Chong Shin Mun for a cash consideration of S\$100,000 towards satisfying the outstanding scheduled payment of S\$100,000 on behalf of GPE. As at the date of this announcement, the outstanding scheduled payments due from GPE amount to S\$3,203,614 and the Company has not received the outstanding scheduled payments in full. Ms. Chong Shin Mun, in her capacity as the majority shareholder and director of GPE, is negotiating the sale of certain of her assets in order to settle such outstanding scheduled payments together with the remaining outstanding Fourth Tranche Consideration.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (cont'd)

(a) Updates on the efforts taken to resolve each outstanding audit issue. (cont'd)

The proposed sale of these assets involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve. Despite the understanding that the parties are working towards an expeditious completion of the proposed sale, the Company has been considering other alternative means of monetizing of these assets in the event that the proposed sale of assets fails. If so, the Company will release the necessary update announcement to shareholders and seek necessary shareholder approval if required.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed to date.

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

Except as disclosed in paragraph 5 below, 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 consolidated financial statements for the financial year ended 31 December 2020 and the latest available unaudited condensed interim financial statements for the financial year ended 31 December 2021. With reference to the Extension of Time, the Group will also adopt the same accounting policies and methods of computation for the audited financial statements for the financial year ended 31 December 2021 which will be announced on SGXNET on or before 15 June 2022.

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 Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2022. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

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

- (a) Based on the weighted average number of ordinary shares on issue; and**
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group 1Q2022	1Q2021
Loss per share based on the weighted average number of shares on issue (in cents):		
- basic and diluted loss per share (Note (a))	<u>(0.0033)</u>	<u>(0.0033)</u>

(a) Basic and diluted loss per share for 1Q2022 were calculated by dividing the loss attributable to equity holders of the Company of S\$542,000 (1Q2021: S\$543,000) by the weighted average number of shares for 1Q2022 of 16,674,767,048 (1Q2021: 16,674,767,048).

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 year.

Please refer to Note 9 as disclosed in the Condensed Interim Financial Statements for 1Q2022 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.

Please refer to Appendix A for the review of the performance of the Group during 1Q2022.

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

No forecast or prospect statement was previously disclosed to shareholders.

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 operating 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 which is dependent on the performance of the major world economies, remains highly volatile and has been adversely affected by the effects of global inflationary pressures and supply chain disruptions currently plaguing world economies which are attributable primarily to the impact of COVID19 and, secondarily, the current war in Ukraine. The uncertain global economic situation coupled with heightened geopolitical tensions among major world powers has had an adverse impact on the Group's operations and performance, especially the oil and gas equipment segment which is highly susceptible to geopolitical risks. In addition, the trade protectionism taken by major economies, which casts uncertainty over the global economy, is also likely to impact the Group's businesses adversely. Meanwhile, the political situation in Malaysia, a key market for the Group, is still fragile and uncertain. Along with the effects of the pandemic, the Malaysian economy has been adversely impacted by the uncertain political landscape, which in turn has also adversely affected the Group's projects in the renewable energy sector.

The Group continues to monitor these developments and undertake measures to mitigate any potential negative impact. The Group's diversification into the renewable energy sector will provide the Company with a new revenue stream and broaden

the Group's earning base. Further, the Board is of the opinion that the diversification is both timely and strategic, especially in green technology and emerging hydrogen technology with potential for high growth and mass adoption in off-grid electrification applications, as renewable energy initiatives gain traction across the globe in response to addressing the issue of climate change. The Group is also performing a reset on its engineering services segment and oil and gas equipment segment, reshaping their strategic direction to serve other markets along the value chain of the said segments. The reset aims to strengthen the Group's position along the value chain and improve the contribution from these segments. The Directors are also actively evaluating various strategies, including fund raising, acquisitions of suitable business as well as restructuring the Group's existing business or assets to improve the existing business and earnings base of the Group.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared.

(b)(i) Amount per share

Not applicable.

(b)(ii) Previous corresponding period

Not applicable. No dividend was declared for 1Q2021.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been recommended or declared for the financial period under review as the Group is currently not profit-making.

13. If the Group has obtained a general mandate from shareholders for IPTs, 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 Group has not obtained a general mandate from shareholders of the Company for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There was no interested person transaction, as defined in Chapter 9 of the Catalist Rules, entered into by the Company or any of its subsidiaries during 1Q2022.

14. Please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.

There were no outstanding proceeds during 1Q2022.

15. 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 Officers in the format set out in Appendix 7H of the Catalist Rules.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the three-month financial period ended 31 March 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
Independent and Non-Executive Chairman

Singapore
13 May 2022

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

The Group posted revenue of S\$1,003,000 in 1Q2022, which was a 21% increase of S\$174,000 from S\$829,000 in 1Q2021. This was mainly due to higher revenue contribution from the engineering services segment in 1Q2022 as compared to 1Q2021.

Gross Profit

The Group reported a gross profit of S\$380,000 in 1Q2022, which was a 98% increase of S\$188,000 from S\$192,000 in 1Q2021. In 1Q2022, other income comprised mainly exhibition income received and a gain on foreign currency exchange. By comparison, in 1Q2021, other income comprised mainly amounts received from the Singapore government under the Job Support Scheme, fee income received on rights granted and a gain on foreign currency exchange.

Other income

The Group received other income of S\$173,000 in 1Q2022, which was a 22% decrease of S\$48,000 from S\$221,000 in 1Q2021. In 1Q2022, other income comprised mainly exhibition income received and a gain on foreign currency exchange. By comparison, in 1Q2021, other income comprised mainly amounts received from the Singapore government under the Job Support Scheme, fee income received on rights granted and a gain on foreign currency exchange.

Interest income

The Group received interest income of S\$52,000 in 1Q2022, which was a 4% decrease of S\$2,000 from S\$54,000 in 1Q2021. This was a marginal variance for both periods reported on.

Selling and distribution expenses

The Group had incurred selling and distribution expenses of S\$77,000 in 1Q2022, which was an increase of S\$64,000 from S\$13,000 in 1Q2021. This was mainly due to the exhibition expenses incurred during 1Q2022.

Administrative and general expenses

The Group had incurred administrative and general expenses of S\$1,018,000 in 1Q2022, which was a 2% increase of S\$24,000 from S\$994,000 in 1Q2021. This was mainly due to higher professional fees incurred during 1Q2022. The depreciation charged on property, plant and equipment ("PPE") had increased concurrent to the addition of PPE during 1Q2022.

Other expenses

The Group had incurred other expenses of S\$1,000 in both 1Q2022 and 1Q2021, which represents a marginal variance for both periods reported on.

Impairment losses on trade and other receivables

There were no impairment losses on trade and other receivables during 1Q2022 and 1Q2021.

Finance costs

The Group had incurred finance costs of S\$67,000 in 1Q2022, which was an increase of S\$56,000 from S\$11,000 in 1Q2021. The increase in finance costs was mainly due to interest expenses incurred by a subsidiary in connection with a loan from a third party.

Tax expense

The tax expense incurred by the Group was S\$18,000 in 1Q2022. The tax expense arose from both the oil and gas equipment and engineering services segments during 1Q2022.

Loss for the financial period

The Group reported a loss for the financial period of S\$576,000 in 1Q2022, which was a 4% increase of S\$24,000 from S\$552,000 in 1Q2021. Loss incurred during 1Q2022 mainly arose from higher selling and distribution costs, higher finance costs and lower other income as explained above.

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)**

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by S\$14,000 from S\$983,000 as at FY2021 to S\$997,000 as at 1Q2022 mainly due to the addition of computer and office equipment, and right-of-use assets.

Current assets

Current assets of the Group amounted to S\$7,585,000 as at 1Q2022, a decrease of S\$292,000 from S\$7,877,000 as at FY2021. This was primarily due to a decrease in cash and bank balances, fixed deposit pledged to bank and trade and other receivables which were offset by higher inventories.

Non-current liabilities

There was a decrease in the Group's non-current liabilities of S\$109,000 from S\$1,142,000 as at FY2021 to S\$1,033,000 as at 1Q2022 mainly due to the reclassification of long-term borrowings to short-term borrowings.

Current liabilities

The Group reported current liabilities of S\$5,995,000 as at 1Q2022, which was an increase of S\$426,000 from S\$5,569,000 as at FY2021. This was mainly due to higher contract liabilities and borrowings arising from the reclassification of long-term borrowings to short-term borrowings offset against a reduction in trade and other payables.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was S\$1,610,000 as at 1Q2022. This represents a decrease of S\$561,000 from S\$2,171,000 as at FY2021 mainly as a result of losses incurred during 1Q2022.

STATEMENT OF CASH FLOWS

The Group had recorded a net cash used in operating activities which amounted to S\$189,000 in 1Q2022 (1Q2021: S\$212,000). This was mainly due to good collection of trade receivables offset against higher inventories held in hand during 1Q2022.

The Group had recorded a net cash used in investing activities which amounted to S\$9,000 in 1Q2022 (1Q2021: S\$7,000), mainly due to payments made to acquire property, plant and equipment during 1Q2022.

The Group had recorded a net cash generated from financing activities which amounted to S\$37,000 in 1Q2022 (1Q2021: cash used in financing activities of S\$211,000). The net cash generated from financing activities in 1Q2022 mainly comprised interest paid on borrowings of S\$10,000, release of fixed deposit pledged to bank of S\$162,000, proceeds of borrowings of S\$168,000 and repayment of borrowings and lease liabilities of S\$283,000.

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 ARISING DURING 2022

Update on the Pilot Project

Pursuant to the announcements dated 5 June 2018, 24 September 2018, 31 January 2019, 25 April 2019, 23 June 2019, 6 September 2019, 9 June 2020, 13 August 2020, 1 March 2021, 3 June 2021, 10 November 2021 and 12 April 2022 in relation to the Pilot Project entered into between the Company's subsidiary, H2 Energy Sdn. Bhd. (formerly known as HT Energy (S) Sdn. Bhd.) ("H2E") and the Sarawak State Health Department ("SSHD") under the Ministry of Health, Malaysia, the Board has progressively updated shareholders on the latest milestones of the Pilot Project.

In a recent update, on 12 April 2022, the Company announced that H2E had conducted an official user training of the Pilot Module at the Pilot Project site to each of (a) Sector Program Lestari, Sustainable Programme Sector, Ministry of Health Malaysia, (b) Bahagian Perkhidmatan Kejuruteraan, Engineering Services Division, Ministry of Health Malaysia, (c) Kementerian Kesihatan Malaysia, Ministry of Health Malaysia, and (d) Pejabat Kesihatan Bahagian Miri, Miri Divisional Health Office. The training included, *inter alia*, a presentation on the working principles of the components of the Power Module and a live presentation of the operation of the Power Module. H2E had also officially launched the Pilot Project and commenced the Pilot Project on the same day, which is expected run for a three (3) month period.

Recovery of Consideration Payable to the Company pursuant to the Disposal of GPE

Reference is made to the Company's announcements made on 26 July 2018, 29 October 2018, 15 January 2019, 15 February 2019, 2 May 2019, 20 May 2019, 31 May 2019, 9 June 2019, 27 June 2019, 19 July 2019, 13 August 2019, 27 August 2019, 3 October 2019, 5 November 2019, 11 November 2019, 12 November 2019, 26 November 2019, 9 December 2019, 15 December 2019, 4 February 2020, 2 March 2020, 9 March 2020, 1 May 2020, 14 May 2020, 22 May 2020, 23 June 2020, 21 August 2020, 28 August 2020, 25 September 2020, 19 October 2020, 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021 and 20 October 2021 in relation to, *inter alia*:

- (a) the Sale and Purchase Agreement entered into between the Company and Chong Shin Mun (the "Purchaser") on the disposal by the Company of its entire shareholding interest in GPE;
- (b) the Share Charge and Control Deed dated 27 June 2019 over 697,330,000 Controlled Shares ("**27 June 2019 Share Charge**"), the Share Charge and Control Deed dated 12 December 2019 over 50,000,000 Further Controlled Shares ("**12 December 2019 Share Charge**"), and the Share Charge and Control Deed dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares ("**9 March 2020 Share Charge**") entered into between the Company and the Purchaser;
- (c) the Power of Attorney dated 27 June 2019 over 697,330,000 Controlled Shares, the Power of Attorney dated 12 December 2019 over 50,000,000 Further Controlled Shares, and the Power of Attorney dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares granted by the Purchaser to the Company; and
- (d) the service of the Letters of Demand on the Purchaser and Tan Yock Chew (the "**Guarantor**"),

(collectively, the "**Earlier Announcements**").

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

With regards to more recent updates on the recovery of the outstanding Fourth Tranche Consideration, on 20 October 2021, the Purchaser had completed the transfer of 37,330,000 Controlled Shares under the 27 June 2019 Share Charge, 50,000,000 Further Controlled Shares under the 12 December 2019 Share Charge, and 12,670,000 Further Controlled Shares under the 9 March 2020 Share Charge to an independent third-party investor. The Company had received a total of S\$100,000 from the said sale of Controlled Shares and Further Controlled Shares, and the same has been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser.

As at the date of this announcement, 40,000,000 Controlled Shares under the 27 June 2019 Share Charge remain, while all the Further Controlled Shares (under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge) have been fully disposed of. The Company is actively engaging with potential investors to dispose of the remaining 40,000,000 Controlled Shares. As at the date of this announcement, the total amount outstanding from the Purchaser is S\$1,127,204 (of which S\$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual report for FY2020).

As mentioned in section 3A(a) on page 17 of this announcement, the proposed sale of the Purchaser's assets involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve. Despite the understanding that the parties are working towards an expeditious completion of the proposed sale, the Company has been considering other alternative means of monetizing of these assets in the event that the proposed sale of assets fails.

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 ARISING DURING 2022 (cont'd)

Change of auditor from Baker Tilly TFW LLP to PKF-CAP LLP

On 29 March 2022, the Company had, following shareholders' approval obtained at the extraordinary general meeting held on even date, changed its auditor from Baker Tilly TFW LLP to PKF-CAP LLP.

Extension of Time to Hold Annual General Meeting

On 24 March 2022, the Company had made applications to:

- (a) the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") for an extension of time:
 - (i) of two (2) calendar months for the Company to hold its annual general meeting for FY2021 ("**AGM**"), from the current deadline of 30 April 2022 to 30 June 2022; and
 - (ii) for the Company to issue its sustainability report for FY2021, from the current deadline of 30 April 2022 to 15 June 2022,
 to comply with Rules 707(1) and 711A of the Catalist Rules (the "**Waivers**"); and
- (b) the Accounting and Corporate Regulatory Authority ("**ACRA**") for an extension of time to comply with Sections 175(1)(a) and 197(1)(a) of the Companies Act 1967 of Singapore to hold its AGM and to file the required annual returns by 30 June 2022 and 29 July 2022 respectively (the "**ACRA Application**").

The ACRA Application had been approved by ACRA on 31 March 2022. Further, on 14 April 2022, SGX RegCo advised that it had no objection to the Company's application for the Waivers, subject to certain conditions as set out in the Company's announcement dated 15 April 2022.

OTHER MATTERS

Notices received from Commercial Affairs Department ("**CAD**")

Further to the Company's announcements on 4 April 2014 and 29 April 2014 relating to the CAD's investigations, the Company understands that the CAD's investigations are still ongoing. The business and operations of the Group are not affected by the investigations and will continue as normal. However, the ongoing investigations may continue to cast a negative outlook on the Company from the perspective of certain financial institutions which are more risk averse than the others. The Company will make further announcements as and when there are material developments concerning this matter.