ANNICA HOLDINGS LIMITED

Unaudited Financial Statements And Dividend Announcement For The Financial Year Ended 31 December 2018

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 Catalist. 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, **FY2018** refers to the full financial year ended 31 December 2018 whereas **FY2017** refers to the corresponding full financial year ended 31 December 2017.*

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 2018

	Group		
	FY2018 S$'000	**FY2017 S$'000 (Restated)+**	**Increase/ (Decrease) %**
Continuing Operations			
Revenue	6,077	7,812	(22)
Cost of sales	(3,986)	(5,815)	(31)
Gross profit	2,091	1,997	5
Other income	149	948	(84)
Selling and distribution expenses	(279)	(262)	6
Administrative and general expenses	(3,692)	(3,637)	2
Other expenses	(2,105)	(437)	NM
Finance costs	(85)	(171)	(50)
Loss before income tax from continuing operations	(3,921)	(1,562)	NM
Income tax expense	(119)	(55)	NM
Loss from continuing operations, net of tax	(4,040)	(1,617)	NM
Discontinued Operations			
Profit from discontinued operations, net of tax	193	293	(34)
Total loss for the financial year	(3,847)	(1,324)	NM
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(28)	(6)	NM
Reclassification of currency translation differences from equity on disposal of subsidiary to profit or loss	26	23	13
Other comprehensive (loss)/income, net of tax	(2)	17	NM
Total comprehensive loss for the financial year	(3,849)	(1,307)	NM

+ restated upon the disposal of a former subsidiary, GPE Power Systems (M) Sdn. Bhd. ("**GPE**") during FY2018 and the results and cash flows of the former subsidiary are classified as "Discontinued Operations".

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. (Cont'd)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		Increase/ (Decrease)
	FY2018 S$'000	FY2017 S$'000 (Restated)	%
Total (loss)/profit attributable to:			
- Equity holders of the Company	(3,969)	(1,412)	NM
- Non-controlling interests	122	88	39
	(3,847)	(1,324)	NM
Total (loss)/profit attributable to equity holders of the Company			
- from continuing operations	(4,049)	(1,617)	NM
- from discontinued operations	80	205	(61)
	(3,969)	(1,412)	NM
Total profit attributable to non-controlling interests:			
- from continuing operations	9	-	NM
- from discontinued operations	113	88	28
	122	88	39
Total comprehensive (loss)/income attributable to:			
- Equity holders of the Company	(3,968)	(1,405)	NM
- Non-controlling interests	119	98	21
	(3,849)	(1,307)	NM
Total comprehensive (loss)/income attributable to equity holders of the Company:			
- from continuing operations	(4,066)	(1,623)	NM
- from discontinued operations	98	218	(55)
	(3,968)	(1,405)	NM
Total comprehensive (loss)/income attributable to non-controlling interests:			
- from continuing operations	(2)	-	NM
- from discontinued operations	121	98	23
	119	98	21

NM: Not meaningful

1(a)(ii) Loss before taxation arrived at after charging/(crediting) the following:

Loss from continuing operations

	Group		
	FY2018 S$'000	**FY2017 S$'000 (Restated)**	**Increase/ (Decrease) %**
Interest income	(37)	(5)	NM
Interest expenses on borrowings	42	204	(79)
Interest expenses on redeemables convertible bonds	28	106	(74)
Fair value gain of long term trade receivables	(1)	(15)	(93)
Government grants	-	(23)	NM
Commission income	(1)	(3)	(67)
Miscellaneous income	(69)	(15)	NM
Gain on disposal of non-current assets held for sale	-	(616)	NM
Fair value loss/(gain) on redeemable convertible bonds	33	(67)	NM
Gain on disposal of motor vehicle	(18)	-	NM
Depreciation of property, plant and equipment	59	87	(32)
Allowance for impairment for doubtful trade receivables	-	47	NM
Fair value loss on financial assets, at fair value through profit and loss	12	16	(25)
Foreign currency exchange (gain)/loss	(33)	137	NM
Impairment loss on available-for-sale financial assets	-	1	NM
Write-back of advances to former subsidiaries	-	(4)	NM
Write-back of allowance for doubtful trade receivables	(24)	(1)	NM
Bad debt	13	-	NM
Allowance for inventories obsolescence	-	30	NM
Impairment loss on other recoverable	-	150	NM
Write-off of prepayment for redeemable convertible bond	520	-	NM
Issuance of shares under Annica Performance Share Plan	1,530	-	NM

NM: Not meaningful

1(a)(ii) Loss before taxation arrived at after charging/(crediting) the following (Cont'd):

Profit from discontinued operations

An analysis of the results of discontinued operations is as follows:

	Group		
	FY2018 S$'000	FY2017 S$'000 (Restated)	Increase/ (Decrease) %
Revenue	9,330	7,572	23
Net expenses	(8,586)	(7,129)	20
Loss on disposal of subsidiary	(432)	-	NM
Profit before taxation	312	443	(30)
Income tax expenses	(119)	(150)	(21)
Profit from discontinued operations	193	293	(34)

NM: Not meaningful

Profit from discontinued operations is arrived at after charging/(crediting) the following:

	Group		
	FY2018 S$'000	FY2017 S$'000 (Restated)	Increase/ (Decrease) %
Allowance for impairment for doubtful trade receivables	-	82	NM
Foreign currency exchange loss/(gain)	24	(61)	NM
Bad debt recovered	(84)	-	NM
Depreciation of property, plant and equipment	199	135	47

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 2018

	Group		Company	
	As at FY2018 S$'000	**As at FY2017 S$'000**	**As at FY2018 S$'000**	**As at FY2017 S$'000**
ASSETS				
Current assets:				
Cash and bank balances	2,067	2,905	54	1,082
Fixed deposits	274	271	-	-
Trade and other receivables	4,187	6,755	2,469	1,608
Inventories	84	226	-	-
Financial assets, at fair value through profit or loss	8	21	9	21
	6,620	10,178	2,532	2,711
Non-current assets:				
Trade and other receivables	2,400	60	2,400	1,965
Investments in subsidiaries	-	-	2,634	4,473
Investment in associated companies	96	-*	96	-
Financial assets, at fair value through profit or loss	1	1	-	-
Property, plant and equipment	347	1,592	47	79
Intangible assets	-	1,020	-	-
Deferred tax assets	1	2	-	-
	2,845	2,675	5,177	6,517
Total assets	**9,465**	**12,853**	**7,709**	**9,228**
LIABILITIES				
Current liabilities:				
Trade and other payables	3,424	3,489	1,152	1,532
Borrowings	963	3,997	953	3,910
Current income tax liabilities	115	236	-	-
	4,502	7,722	2,105	5,442
Non-current liabilities:				
Borrowings	604	428	537	-
Trade and other payables	93	-	-	-
Deferred income tax liabilities	22	115	-	-
	719	543	537	-
Total liabilities	**5,221**	**8,265**	**2,642**	**5,442**
Net assets	**4,244**	**4,588**	**5,067**	**3,786**
EQUITY				
Share capital	67,301	63,274	67,301	63,274
Accumulated losses	(61,245)	(57,193)	(62,284)	(59,538)
Other reserves	(1,822)	(1,906)	50	50
Equity attributable to equity holders of the Company	4,234	4,175	5,067	3,786
Non-controlling interests	10	413	-	-
Total equity	**4,244**	**4,588**	**5,067**	**3,786**

*Amount is less than S$1,000

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.

	As at FY2018		As at FY2017	
	Secured	**Unsecured**	**Secured**	**Unsecured**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amount repayable in one year or less, or on demand	10	953	87	3,910
Amount repayable after one year	67	537	428	-

The Group's secured borrowings were secured on the Group's leasehold properties, fixed deposits and personal guarantees of directors of subsidiaries.

The Group's unsecured borrowings as at FY2018 were mainly due to the advances from the subscriber of the redeemable convertible bonds. As at FY2017, the Group's unsecured borrowings comprised of advances from the subscriber of the redeemable convertible bonds and loans from LionGold Corp Ltd. (Please refer to discussion in paragraph 8 on "Debt conversion and grant of options to an Investor"). The LionGold Loans (as defined herein) was settled on 12 March 2018.

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 2018

	Group	
	FY2018	**FY2017**
	S$'000	**S$'000**
		(Restated)
Cash flows from operating activities:		
Loss before income tax from continuing operations	(3,921)	(1,562)
Profit before income tax from discontinued operations	312	443
	(3,609)	(1,119)
Adjustments for:		
Depreciation of property, plant and equipment	258	222
Fair value loss/(gain) on redeemable convertible bonds	33	(67)
Fair value loss on financial assets at fair value through profit or loss	12	16
Gain on discounting of long-term trade receivables	-	(15)
Impairment loss on available-for-sale financial assets	-	1
Interest expense	70	345
Interest income	(37)	(5)
Gain on disposal of non-current assets held for sale	-	(616)
Loss on disposal of subsidiary	432	-
Write off of prepayment for redeemable convertible bond	520	-
Issuance of Annica Performance Share Plan	1,530	-
Operating cash flows before working capital changes	**(791)**	**(1,238)**
Changes in working capital:		
(Increase)/Decrease in inventories	(591)	169
Increase in trade and other receivables	(4,630)	(1,948)
Increase in trade and other payables	5,253	1,302
Currency translation difference	(58)	(93)
Cash used in operations	**(817)**	**(1,808)**
Income tax paid	(48)	(77)
Net cash used in operating activities	**(865)**	**(1,885)**
Cash flows from investing activities:		
Interest received	3	5
Net cash inflow from disposal of subsidiaries	388	-
Loan to an associate	(46)	-
Settlement of promissory note issued during previous year on acquisition of remaining non-controlling interest in a subsidiary	-	(100)
Net proceeds from sale of non-current assets held for sale	-	2,890
Purchase of property, plant and equipment	(213)	(410)
Repayment of bank overdraft of a former subsidiary	-	(262)
Net cash generated from investing activities	**132**	**2,123**
Cash flows from financing activities:		
Contribution from NCI of a subsidiary incorporated	-*	1
Drawdown of borrowings	-	321
Interest paid	(50)	(39)
Loan from a third party	-	100
Net proceeds from issuance of redeemable convertible bonds	-	125
Receipt of share option application monies	-	50
Placement of deposit in cash margin account	-	(6)
Increase in fixed deposit pledged	(3)	-
Proceeds from borrowings	153	-
Repayment of borrowings	(218)	(66)
Net cash (used in)/generated from financing activities	**(118)**	**486**

*Amount is less than S$1,000

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. (Cont'd)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)

	Group	
	FY2018	**FY2017**
	S$'000	**S$'000**
		(Restated)
Net (decrease)/increase in cash and cash equivalents	(851)	724
Cash and cash equivalents at beginning of the financial year	2,683	1,911
Effects of foreign currency translation on cash and cash equivalents	10	48
Cash and cash equivalents at end of the financial year	**1,842**	**2,683**
Cash and cash equivalents at end of the financial year were made up of:		
Cash and bank balances	1,842	2,683
Deposit placed in cash margin account	225	222
	2,067	**2,905**

Major non-cash items:
During FY2018, the LionGold Loan of S$2,505,000 was settled through the issuance of Debt Conversion Share. The Group acquired plant and equipment for a total consideration of S$1,074,000, out of which S$213,000 was paid by cash and S$861,000 was financed under finance lease arrangement. The Group has issued Annica Performance Share Plan amounting to S$1,530,000 and write off of prepayment for redeemable convertible bond in FY2018.

During FY2017, the Group acquired property, plant and equipment with an aggregate cost of S$567,000 of which S$410,000 was paid out by cash and S$157,000 was financed under finance lease arrangement. In FY2016, the Group acquired the remaining non-controlling interest in a subsidiary, Industrial Engineering Systems Pte. Ltd., at a consideration of S$660,000, out of which S$500,000 was settled by way of issuance of 500,000,000 new ordinary shares in the Company and S$160,000 through promissory notes issued by the Company. The Company paid S$100,000 of the aforesaid promissory notes during FY2017.

Acquisition of subsidiaries/associate

During FY2018:

(a) The Group, through its wholly-owned subsidiary P.J. Services Pte Ltd ("**PJS**") incorporated Panah Jaya Makmur Sdn. Bhd. ("**PJM**") for a cash consideration of S$600 (BND600), representing 60% of the total issued and paid up capital of PJM. The non-controlling interests of PJM paid S$400 (BND400) for its 40% interests in PJM.

(b) The Group subscribed for 290,000 preference shares in HT Energy (S) Sdn Bhd ("**HTES**") amounting to S$96,000 (RM290,000).

(c) The Group subscribed for 4,851 ordinary shares in HTES amounting to S$1,600 (RM4,851) via Cahya Suria Energy Sdn. Bhd. ("**CSE**").

During FY2017:

(a) CSE was incorporated for a cash consideration of S$3,300 (RM10,000), representing the Group's 100% interest in the total issued and paid up capital of CSE.

(b) The Group, through CSE, incorporated Renosun International Sdn. Bhd. ("RI") for a cash consideration of S$1,700 (RM5,100), representing the Group's 51% interest in the total and issued paid up capital of RI. The non-controlling interests of RI paid S$1,600 (RM4,900) for its 49% interests in RI.

(c) The Group also incorporated HTES, a 49%-owned associated company, at a cash consideration of S$15 (RM49).

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. (Cont'd)

Disposal of subsidiary

The effects of the disposal of a former subsidiary, GPE, on the cash flows of the Group is as follows:

	Group	
	FY2018	**FY2017**
	S$'000	**S$'000**
Non-current assets		
Property, plant and equipment	2,063	-
Total non-current assets	2,063	-
Current assets		
Cash and cash equivalents	12	-
Trade and other receivables	5,929	-
Inventories	732	-
Total current asset	6,673	-
Non-current liailities		
Borrowings	958	-
Deferred tax liabilities	30	-
Total non-current liabilities	988	-
Current liailities		
Trade and other payables	5,707	-
Borrowings	147	-
Total current liabilities	5,854	-
Foreign currency reserve	40	-
Net assets derecognised	1,934	-
Loss on disposal of subsidiary		
Consideration received	2,000	-
Net assets derecognised	(1,934)	-
Non-controlling interests	522	-
Goodwill on consolidation	(1,020)	-
Loss on disposal of subsidiary	(432)	-
Net cash inflow arising on disposal:		
Consideration received	2,000	-
Less: consideration receivables	(1,600)	-
Less: cash and cash equivalents of subsidiary disposed of	(12)	-
Net cash flow on disposal of subsidiary	388	-

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 2018

	----------- Attributable to equity holders of the Company ---------------------						
	Share capital	**Capital reserve**	**Translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
Balance as at 1 January 2018	63,274	(1,456)	(450)	(57,193)	4,175	413	4,588
Issuance of shares	4,027	-	-	-	4,027	-	4,027
Transfer to capital reserve	-	83	-	(83)	-	-	-
(Loss)/profit for the financial year	-	-	-	(3,969)	(3,969)	122	(3,847)
Other comprehensive (loss)/income:							
Currency translation differences arising from consolidation	-	-	(17)	-	(17)	(11)	(28)
Currency translation difference on disposal of subsidiary reclassfied to profit or loss	-	-	18	-	18	8	26
Total comprehensive profit/(loss) for the financial year	-	-	1	(3,969)	(3,968)	119	(3,849)
Changes in ownership interests in subsidiaries:							
Disposal of ownership interest in subsidiary	-	-	-	-	-	(522)	(522)
	-	-	-	-	-	(522)	(522)
Balance as at 31 December 2018	**67,301**	**(1,373)**	**(449)**	**(61,245)**	**4,234**	**10**	**4,244**

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. (Cont'd)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (ont'd)

	------------ Attributable to equity holders of the Company ----------------------						
	Share capital	**Capital reserve**	**Translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total Equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group							
Balance as at 1 January 2017	62,924	(1,506)	(457)	(55,781)	5,180	314	5,494
Conversion of shares from convertible bonds	350	-	-	-	350	-	350
Share option application monies	-	50	-	-	50	-	50
(Loss)/profit for the financial year	-	-	-	(1,412)	(1,412)	88	(1,324)
Other comprehensive income:							
Currency translation differences arising from consolidation	-	-	7	-	7	10	17
Total comprehensive loss for the financial year	-	-	7	(1,412)	(1,405)	98	(1,307)
Changes in ownership interests in subsidiaries:							
Incorporation of subsidiary	-	-	-	-	-	1	1
	-	-	-	-	-	1	1
Balance as at 31 December 2017	**63,274**	**(1,456)**	**(450)**	**(57,193)**	**4,175**	**413**	**4,588**

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. (Cont'd)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)

	Share capital	Other reserves	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000
Company				
Balance as at 1 January 2018	63,274	50	(59,538)	3,786
Issuance of shares	4,027	-	-	4,027
Total comprehensive loss for the financial year	-	-	(2,746)	(2,746)
Balance as at 31 December 2018	**67,301**	**50**	**(62,284)**	**5,067**
Balance as at 1 January 2017	62,924	-	(58,439)	4,485
Issuance of shares	350	-	-	350
Share option application monies	-	50	-	50
Total comprehensive loss for the financial year	-	-	(1,099)	(1,099)
Balance as at 31 December 2017	**63,274**	**50**	**(59,538)**	**3,786**

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 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 company, 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. 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.

	Number of Shares '000	Share Capital S$'000
Issued and fully paid:		
As at 31 December 2017	12,140,220	63,274
Issuance of shares		
- Debt Conversion Shares allotted and issued at the conversion price of S$0.001	2,504,879	2,505
- Grant of share awards under the Annica Preformance Share Plan	1,529,668	1,530
As at 31 December 2018	16,174,767	67,309
Less: Share issue expenses	-	(8)
Net share capital as at 31 December 2018	16,174,767	67,301

Convertible Securities

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

RCB Conversion Shares:

	Number of Shares '000	Estimated Proceeds S$'000
New RCB Conversion Shares to be allotted and issued upon conversion of redeemable convertible bonds issued as at FY2018, assuming conversion at the minimum conversion price of S$0.0009 per RCB Conversion Share	833,333	750

As announced on 24 December 2018, the first tranche with the principal amount of S$250,000 was extended to 28 February 2019. It was not converted by the Subscriber and the Company has redeemed the principal amount of S$250,000 on 28 February 2019.

Option Shares

Under an option agreement, the Company has issued transferable share options to an investor with such option carrying the right to subscribe for up to 5,000,000,000 option shares ("**Option Shares**") in the Company at a minimum exercise price of S$0.001, of which the Company will raise an amount of up to S$5,000,000. As at FY2018, the investor has not exercised any option.

Annica Employee Share Option Scheme

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

(a)	Date of grant of Options	27 December 2018
(b)	Exercise Price of Options granted	S$0.001 per Share
(c)	Number of Shares comprised in the Options granted	42,500,000
(d)	Number of Shares comprised in the Options 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 Options	28 December 2019 – 27 December 2028 (both dates inclusive) Options shall only be exercisable after the 1st anniversary from the Date of Grant and shall be exercised before the 10th anniversary of the Date of Grant.

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 FY2018	**As at FY2017**
Total number of issued shares excluding treasury shares ('000)	16,174,767	12,140,220

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)(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.There are no treasury shares.

1(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. There are no subsidiary holdings.

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 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.

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with those used in audited financial statements for the year ended 31 December 2017.

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.

As required by the listing requirements of the SGX-ST, the Group has adopted SFRS(I) since 1 January 2018. The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards ("**SFRS**").

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS ("**IFRS 1**"). The Group has concurrently applied new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The adoption of SFRS(I) has no material impact on the financial statements of the Group.

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	
	FY2018	**FY2017 (Restated)**
(Loss)/profit per share based on the weighted average number of shares on issue (in cents):		
- from continuing operations – basic and fully diluted (Note (a))	(0.029)	(0.013)
- from discontinued operations – basic and fully diluted (Note (b))	0.001	0.002
Total	(0.028)	(0.011)

The basic and diluted loss per share are the same as the outstanding RCB Conversion Shares are anti-dilutive for the respective financial year.

Notes:

(a) Basic and fully diluted loss per share from continuing operations for FY2018 were calculated by dividing the loss from continuing operations attributable to equity holders of the Company of S$4,049,000 (FY2017: S$1,617,000) by the weighted average number of Shares for FY2018 of 14,171,940,548 (FY2017: 12,049,970,699).

(b) Basic and fully diluted profit per Share from discontinued operations for FY2018 were calculated by dividing the profit from discontinued operations attributable to equity holders of the Company of S$80,000 (FY2017: S$205,000) by the weighted average number of Shares for FY2018 of 14,171,940,548 (FY2017: 12,049,970,699).

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	
	FY2018	**FY2017 (Restated)**	**FY2018**	**FY2017 (Restated)**
Net asset value per ordinary share based on the issued share capital at the end of the year (in cents)	0.03	0.03	0.03	0.03

Net asset value per ordinary share of the Group as at FY2018 was calculated by dividing the Group's net asset value attributable to equity holders as at FY2018 of S$4,234,000 (FY2017: S$4,175,000) divided by the number of ordinary shares of the Company as at FY2018 of 16,174,767,048 (FY2017: 12,140,220,497).

Net asset value per ordinary share of the Company as at FY2018 was calculated by dividing the Company's net asset value attributable to equity holders as at FY2018 of S$5,067,000 (FY2017: S$3,786,000) divided by the number of ordinary shares of the Company as at FY2018 of 16,174,767,048 (FY2017: 12,140,220,497).

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

CONTINUING OPERATIONS

Revenue and Gross Profit

The Group posted revenues of S$6,077,000 in FY2018 which was a decrease of S$1,735,000 or 22% from S$7,812,000 in FY2017, primarily due to delays in securing orders during the period under review in oil and gas equipment and engineering segments. Geographically, the Group operates in Singapore and the Asia Pacific region including Malaysia, Indonesia, Thailand, Vietnam, Brunei and Myanmar, with the oil and gas equipment and engineering segments each having contributed 99% and 1%, respectively, to the Group's revenue in FY2018.

The Group reported gross margin of 34% in FY2018 which was an increase of 8% from 26% in FY2017 due to the higher gross margin turned in by the oil and gas equipment segments in FY2018. Despite the decrease in revenue, the Group's gross profit increased by S$94,000 or 5% from S$1,997,000 in FY2017 to S$2,091,000 in FY2018.

Other income

The decrease of S$799,000 in other income from S$948,000 in FY2017 to S$149,000 in FY2018 was primarily due to the gain in disposal of property of S$616,000 in FY2017. Interest income increased from S$5,000 in FY2017 to S$37,000 in FY2018 mainly arose from interest earned from loan to a former subsidiary.

Selling and distribution expenses

The increase in selling and distribution expenses in FY2018 of S$17,000, from S$262,000 in FY2017 to S$279,000 in FY2018, was due to exhibition expenses incurred during FY2018.

Administrative and general expenses

The Group incurred administrative and general expenses of S$3,692,000 in FY2018, an increase of S$55,000 from S$3,637,000 reported in FY2017. As part of its ongoing cost streamlining exercise, the Group had reorganised its in-house services to phase out certain outsourcing services. However, as the exercise is in a transitional phase, both in-house and outsource services were overlapping during this period, resulting in higher administrative and general expenses incurred in FY2018. Lower depreciation of S$59,000 in FY2018 as compared to S$87,000 in FY2017 mainly due to the Group has fully depreciated a motor vehicle in FY2018. The Group continues to closely monitor expenses by implementing cost-cutting measures and budget spending.

Other expenses

Other expenses increased by S$1,668,000 from S$437,000 in FY2017 to S$2,105,000 in FY2018 mainly due to the granting of Awards under the Annica Performance Share Plan of S$1,530,000 and the one-off impairment of the Redeemable Convertible Bond prepayment of S$520,000. Other expenses for FY2019 also includes an impairment in fair value of financial assets amounting to S$12,000.

Finance costs

Finance costs was primarily arising from interest expenses on borrowings and finance leases during FY2018. The decrease of S$86,000 from S$171,000 in FY2017 to S$85,000 in FY2018 was mainly due to the settlement of the LionGold Loan on 12 March 2018.

Income tax

The income tax expense arose from taxable profits of certain subsidiaries during FY2018, with the increase of S$64,000 from S$55,000 in FY2017 to S$119,000 in FY2018, mainly attributed to profit generated by a subsidiary.

Loss from continuing operation

The Group reported a loss for the financial period of S$4,040,000 in FY2018, which was an increase of S$2,423,000 from S$1,617,000 in FY2017. The increase was primarily from the extraordinary expenses arising from the granting of share awards ("**Awards**") under the Annica Performance Share Plan and the one-off impairment of the Redeemable Convertible Bond prepayment. Excluding the foregoing extraordinary expenses, the Group's losses for FY2018 has narrowed by 7% over the corresponding period.

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).

DISCONTINUED OPERATIONS

The Group's discontinued operations pertained to the Energy Segment, under GPE Power Systems Sdn Bhd which was disposed during FY2018. Up to the date of disposal at 29 October 2018, the revenue and profits after tax attributable from discontinued operations are S$9,330,000 and S$193,000 respectively. The Group realised a loss on disposal of subsidiary which amounted to S$432,000.

FINANCIAL POSITION

Current assets

Current assets of the Group totalled S$6,620,000 as at FY2018 which was a decrease of S$3,558,000 from S$10,178,000 as at FY2017, primarily due to disposal of the Group's Energy segment, GPE, resulting in a decrease in the bank balances, trade and other receivables and inventories offset by the proceeds of the said disposal. The investments in the financial assets, comprising listed equity securities, were stated at quoted market price as at the respective financial year.

Non-current assets

The Group's non-current assets increased by S$170,000 from S$2,675,000 as at FY2017 to S$2,845,000 as at FY2018 primarily due to the disposal of the Group's Energy segment, under GPE, The Company also subscribed for preference shares in an associated company, HTES.

Current liabilities

The Group reported current liabilities of S$4,502,000 as at FY2018 which was a marked decrease of S$3,220,000 from S$7,722,000 as at FY2017 arising from settlement of the LionGold loan through the issuance of Debt Conversion Shares.

Non-current liabilities

There was an increase in the Group's non-current liabilities of S$176,000 from S$543,000 as at FY2017 to S$719,000 as at FY2018 due to reclassification of the Redeemable Convertible Bonds arising from the extension of the conversion period and redemption date.

Shareholders' equity

The Group's equity attributable to equity holders of the Company was S$4,234,000 as at FY2018. This was an decrease of S$59,000 from S$4,175,000 as at FY2017 mainly due to the losses incurred by the Group offset by settlement of the LionGold Loan through the issuance of Debt Conversion Shares.

CASH FLOWS

Net cash used in operating activities amounting to S$865,000 arose from FY2018's operating losses, increase of trade and other receivables and purchase of inventories, offset by increase of trade and other payables.

Net cash generated from investing activities in FY2018 amounted to S$132,000, comprising net cash inflow from the disposal of subsidiary in FY2018 which was offset by payments to acquire property, plant and equipment.

Net cash used in financing activities in FY2018 amounted to S$118,000. This mainly arose from repayments of borrowings, offset by proceeds from borrowings.

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 ARISING DURING 2018

Debt conversion and grant of options to an Investor

In order to discharge the Group's share of liabilities as one of the guarantors of performance securities in 2015 in respect of a project undertaken by a former subsidiary, LionGold Corp Ltd ("**LionGold**") extended loans in the aggregate sum of S$3,504,879 to the Company (the "**LionGold Loan**") at an interest of 8% per annum. The LionGold Loan was due and payable in December 2018.

Subsequently, LionGold announced in 2015 that it had assigned the benefits under the LionGold Loan to Mr. Lim In Chong (the "**Investor**"). Pursuant to the deed of assignment between LionGold and the Investor (the "**Deed of Assignment**"), it provides that the LionGold Loan will be assigned in three (3) portions. Separately, Shareholders approved a debt conversion agreement (the "**Debt Conversion Agreement**") and the option agreement (as amended, modified and supplemented by the option agreement supplemental deed) (the "**Option Agreement**") between the Company and the Investor.

Under the Debt Conversion Agreement, 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 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 Deed of Assignment and the Investor will only be able to exercise the Debt Conversion Option in respect of such amount of the LionGold Loan 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 S$50,000 (convertible into 50,000,000 Debt Conversion Shares for each tranche exercised) at any time and upon the assignment of the respective proportions of the Assigned Debt as provided for in the Deed of Assignment. 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.

Upon exercise of the Debt Conversion Option (whether in full or in part) by the Investor, that portion of the LionGold Loan shall be deemed to be fully repaid under the LionGold Loan 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.

Pursuant to the Deed of Assignment, the Company had, on 5 December 2016, received notice of the assignment by LionGold of a portion of the Assigned Debt of S$1,000,000 (the "**First Assigned Debt**") to the Investor. On 8 December 2016, following the receipt of notice from the Investor on his intention to exercise the Debt Conversion Option on the First Assigned Debt, the Company allotted and issued 1,000,000,000 Debt Conversion Shares at the Debt Conversion Price of S$0.001 per Debt Conversion Share to the Investor in accordance with the Debt Conversion Agreement.

Under the Option Agreement, the Company for a cash consideration of S$50,000 it has received, granted the Investor an aggregate of 5,000,000,000 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 a minimum exercise price of S$0.001 to raise an amount of up to S$5,000,000 in aggregate (the "**Grant of Options**"). The Options shall be exercisable by April 2020 (which is within thirty-six (36) months after the issue of the Options) and the total value of each duly executed notice of exercise of Options shall not be less than S$50,000. 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.

On 12 March 2018, the Company received notice of, and had acknowledged and given its consent to, the assignment by LionGold, of the remaining portion of the outstanding principal, equivalent to S$2,505,879 (the "**Remaining Assigned Debt**"), to the Investor. On the same day, the Investor had given notice to the Company of his intention to exercise the Debt Conversion Option.

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 ARISING DURING 2018 (Cont'd)

Debt conversion and grant of options to an Investor (Cont'd)

On 14 March 2018, the Remaining Assigned Debt was converted to shares in the Company (the "**Debt Conversion Shares**") at the Conversion Price of S$0.001 per Debt Conversion Share, and the 2,504,878,770 Debt Conversion Shares were allotted and issued to the Investor as fully paid up, free from encumbrances, fully transferable and rank pari passu with the existing shares of the Company. In accordance with the Debt Conversion Agreement, upon the allotment and issuance of the Debt Conversion Shares, the right of the Investor to the repayment of the Remaining Assigned Debt shall be extinguished and released. The Debt Conversion Shares has been listed and quoted for trading on the Catalist board of the SGX-ST on 16 March 2018.

Proposed acquisition of shares in Horizon Greentech Resources Sdn. Bhd. ("**HGR**" or "the "**Proposed HGR Acquisition**")

On 23 December 2016, the Company announced that it has entered into a conditional sale and purchase agreement (as varied by a variation letter dated 19 July 2017) to acquire 2,450,000 ordinary shares from the vendors (the "**HGR Vendors**"), representing approximately 49% of the issued and paid-up share capital of HGR for a consideration of S$4,200,000 (the "**HGR Consideration**"). In addition, upon completion of the Proposed HGR Acquisition, the Company will benefit from the transfer of an amount of S$2,400,000 (equivalent to RM 7,497,000) from the HGR Vendors by way of novation to the Company, which is a proportionate part of a loan owing by HGR to the HGR Vendors.

HGR is principally engaged in the business of extrusion and recycling of end-of-life waste tyres for the production of tyre derived fuel, carbon black and scrap metal and it owns a waste tyre pyrolysis plant. The proposed acquisition of HGR is in line with the Company's diversification.

The HGR Consideration shall be satisfied by:

(i) S$2,600,000 through promissory notes repayable within six (6) months from the completion date (or such other later date as may be mutually agreed in writing between the Company the vendors), bearing an interest of 8% per annum; and
(ii) S$1,600,000 by way of the allotment and issue to the vendors of newly paid up Shares of the Company ("the "**HGR Consideration Shares**") upon the completion date at S$0.001 per HGR Consideration Shares.

On 31 August 2017, the Company received the listing and quotation notice ("**LQN**") from the SGX-ST for the listing and quotation of the HGR Consideration Shares on the Catalist, subject to compliance with SGX-ST's listing requirements.

Subsequently, the Company wishes to refer to its announcements dated 22 March 2017, 31 August 2017, 25 September 2017, 30 October 2017 and 21 December 2017 on HGR. On the last announcement date of 21 December 2017, the Parties have mutually agreed to extend the Long Stop Date for Completion of the Proposed Acquisition for a further three (3) months from 23 December 2017 to 23 March 2018.

On 26 March 2018, the Company and the HGR Vendors have mutually agreed to terminate the Proposed HGR Acquisition pursuant to a deed of termination. On the same day, the Company announced that it had entered into a non-binding memorandum of understanding with each of the HGR Vendors, being Awang Ahmad Sah and Kok Mun Keong, to acquire an aggregate of 4,023,300 ordinary shares representing approximately 25.79% of the issued and paid-up share capital of Green PlusLink Sdn Bhd for a total consideration of S$4,200,000.

As at 31 December 2018, the HGR Vendors and Terokadana Sdn. Bhd. are still separately finalising the acquisition agreement for the transfer of the 15 production lines to GPL, and are unable to provide any indication at the juncture.

Termination of Memorandum of Understanding Between HT Energy (S) Sdn. Bhd. ("**HTES**") and Hec-Tina, Inc. ("**HEC-Tina**"), Update on Pilot Project

On 27 April 2017, HTES entered into a memorandum of understanding ("**MOU**") with HEC-TINA, Inc. ("**HEC-Tina**"), a company incorporated in the United States of America. HEC-Tina is a subsidiary of Hydrogen Engine Centre, Inc. whose shares are quoted on the Over-The-Counter Bulletin Board.

Under the terms of the MOU, which is non-binding (save for terms relating to confidentiality, governing law and third-party rights), it is contemplated that the parties shall collaborate in the powering of rural clinics in Sarawak, Malaysia with green electricity produced by renewables and hydrogen using HEC-Tina's proprietary hybrid WSWH2 power modules (the "**Project**").

HTES and HEC-Tina have on 1 June 2018, mutually agreed to terminate the MOU, as they have been unable to reach an agreement on the commercial terms for the implementation of the Project and the Pilot Project. HTES has commissioned a Chinese manufacturer ("**Manufacturer**") instead to manufacture a solar and hydrogen module which has been customised to HTES' specifications (the "**Power Module**") for the Pilot Project. The Manufacturer has been selected based on technical and commercial considerations.

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 ARISING DURING 2018 (Cont'd)

Termination of Memorandum of Understanding Between HT Energy (S) Sdn. Bhd. ("**HTES**") and Hec-Tina, Inc. ("**HEC-Tina**"), Update on Pilot Project (Cont'd)

On 24 September 2018, the Board has updated the shareholders that the technical team is in constant communication with the manufacturer on the progress of the Power Module, which is in the final assembly stage. There were certain teething issues in the integration of the fuel cells with the overall Power Module system, which the manufacturer has to rectify. The delay in the roll-out of the Power Module at the pilot site has been largely due to manufacturing issues, which the project team of the Pilot Project ("**Project Team**") is working closely with the manufacturer to resolve.

On 31 January 2019, the Board further updated shareholders that the Project Team has conducted the Factory Acceptance Test ("**FAT**") for the Power Module on 23 October 2018. Based on the results of the FAT, additional time will be required by the Manufacturer of the Power Module to address certain technical issues. The Project Team has updated the Engineering Team of the Sarawak State Health Department ("**SSHD**") (under the Ministry of Health, Malaysia) at a progress update meeting on 5 November 2018. The Project Team therefore revised the target roll out date of the Pilot Project to March – April 2019 to avoid the wet weather conditions at the Pilot Project site in the preceding months. Following completion of the live run test in December 2018, the Project Team was informed that rectification of the electrolyser plate component is also required. The rectification is expected to take approximately 6 weeks and as such, the next FAT will be delayed to March 2019. Following a successful FAT, the new timeline to implement and rollout the Pilot Project would be between April - May 2019.

As of 27 February 2019, the manufacturer is still in the process of conducting rectification works in the respect of the electrolyser plate component.

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

The issuance of the 2% redeemable convertible bonds due 2018 with an aggregate principal amount of up to S$60,000,000 (the "**RCBs**"), pursuant to the RCB subscription agreement dated 31 July 2015 (the "**Subscription Agreement**") entered into with Premier Equity Fund Sub Fund F (the "**Subscriber**") and its manager, Value Capital Asset Management Pte Ltd (the "**Manager**"), was approved by Shareholders in 2015.

The first tranche of the RCBs (the "**Tranche 1 RCBs**") comprises equal sub-tranches of S$500,000 each, while the remaining three (3) tranches of the RCBs comprises equal sub-tranches of S$1,000,000 each. The RCBs shall be issued in registered form in denominations of S$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 conversion 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 Subscriber, during the thirty (30) trading days immediately preceding the relevant date on which the RCBs were to be converted (the "**Average Price**"). On 18 September 2016, the Company entered into a supplemental agreement with the Subscriber (the "**Subscription Agreement Supplemental Agreement**"), pursuant to which it was agreed that, from 15 September 2016, the RCB Conversion Price of each RCB shall not be less than 85.0% of the Average Price. The subscription and conversion of the RCBs shall be in accordance with the terms and conditions of the Subscription Agreement (as amended, supplemented and modified by the Subscription Agreement Supplemental Agreement).

As at FY2018, the Company had issued the first to sixteenth sub-tranche of the Tranche 1 RCBs, with an aggregate principal amount of S$8,000,000, to the Subscriber, out of which an aggregate amount of S$7,250,000 had been converted into a total of 8,963,235,291 RCB Conversion Shares at the RCB Conversion Price of between S$0.0008 and S$0.00085 per RCB Conversion Share. The principal amount of RCBs subscribed but yet to be converted into RCB Conversion Shares was S$750,000 as at FY2018.

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 ARISING DURING 2018 (Cont'd)

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

As at the date of this announcement, the utilisation of proceeds from the issuance of the RCBs (the "**RCB Proceeds**") is as follows:

Purpose	**Amount S$'000**	**Percentage of RCB Proceeds %**
Set-off of loan against issuance of RCBs to the Subscriber	1,699	21
Group's general working capital (Note (a))	3,723	47
Arranger's fee on RCBs issued	400	5
Expenses incurred by the Subscriber (Note (b))	40	-
Consideration for the acquisition of a subsidiary	1,838	23
Repayment of third party liabilities	300	4
Total	**8,000**	**100**

Notes:
(a) Funds used for the Group's general working capital were for payments to suppliers, refundable deposit paid to a supplier for purchase of inventories, capital expenditure and operating expenses including staff salaries and professional fees.
(b) This was paid in accordance with the Subscription Agreement. The percentage of RCB Proceeds is less than 1%.

The use of RCB Proceeds is consistent with the use of proceeds for the RCBs as disclosed in the Company's circular to Shareholders dated 11 December 2015.

As announced on the SGXNet on 24 December 2018 and 2 January 2019, the Parties have agreed under a second supplemental agreement (the "**Second Supplemental Agreement**") that the date(s) for redemption of the outstanding RCBs under Conditions 10.2 and 10.4 of Schedule 4 (Terms and Conditions of the Bonds) will be further extended in accordance with the following schedule in order to improve the short-term cash flow of the Company:

(a) the first tranche in the principal amount of S$250,000 up to 28 February 2019; and
(b) the second tranche in the principal amount of S$500,000, up to 31 March 2020,

(each an "**Extended Redemption Date**").

Accordingly, unless previously redeemed or purchased, converted or cancelled by the Company, the Company shall, by each of the Extended Redemption Dates, redeem the stipulated principal amounts of the outstanding RCBs together with unpaid accrued interest thereon (calculated up to, but excluding, the date of redemption).

Under the Subscription Agreement, the last day of the conversion period of the RCBs is on 24 December 2018. The Parties have further agreed under the Second Supplemental Agreement that the conversion period of the RCBs and the conversion right of the Subscriber under Condition 8.1 of Schedule 4 (Terms and Conditions of the Bonds) in relation to the outstanding RCBs will be extended up to 31 March 2020.

Under the Subscription Agreement, the RCB Conversion Price for each RCB that is converted into Shares, shall be not less than 85% of the average of the traded volume weighted average price per share for any three (3) consecutive Trading Days (for the avoidance of doubt, may include one or more intervening Market Days on which there are no trades in the Shares of the Company), determined at the sole and absolute discretion of the Subscriber, on which trades are done during the 30 Trading Days immediately preceding the relevant conversion date of the RCBs.

The Parties have further agreed under the Second Supplemental Agreement that the RCB Conversion Price for each RCB that is converted into Shares, shall be amended such that the said RCB Conversion Price shall be not less than 90% of the average of the traded volume weighted average price per share for any three (3) consecutive Trading Days (for the avoidance of doubt, may include one or more intervening Market Days on which there are no trades in the Shares of the Company), determined at the sole and absolute discretion of the Subscriber, on which trades are done during the 30 Trading Days immediately preceding the relevant conversion date of the RCBs.

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 ARISING DURING 2018 (Cont'd)

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

As announced on 24 December 2018, the first tranche with the principal amount of S$250,000 was extended to 28 February 2019. It was not converted by the Subscriber and the Company has redeemed the principal amount of S$250,000 on 28 February 2019.

Disposal of shares in GPE Power Systems (M) Sdn. Bhd.

The Company had on 26 July 2018, entered into a conditional sale and purchase agreement ("SPA") with Chong Shin Mun for the proposed disposal by the Company of its entire shareholding interest of 350,000 ordinary shares in the share capital of GPE Power Systems (M) Sdn. Bhd. ("**GPE**"), representing 70.0% of the total number of issued shares in GPE (the "**Sale Shares**") for an aggregate consideration of S$2,000,000, upon the terms and subject to the conditions of the SPA (the "**Proposed Disposal**") which include, inter alia, the required shareholders' approval and all other necessary approvals, consents and waivers from the regulators.

As the business carried on by GPE is not the core business of the Group, the Proposed Disposal will not materially change the nature and risk profile of the Group's business. As the Sale Shares represent the entire interest of the Company in GPE, the Company will cease to have any interest in GPE and GPE will cease to be a subsidiary of the Company following the completion of the Proposed Disposal.

All conditions precedent to the Proposed Disposal have been fulfilled and/or waived on 29 October 2018. Accordingly, completion of the Proposed Disposal has taken place on 29 October 2018 and GPE ceased to be a subsidiary of the Company.

Incorporation of subsidiary in Panah Jaya Makmur Sdn. Bhd. ("**PJM**")

The Gompany through its wholly-owned subsidiary PJ Services Pte Ltd ("**PJS**"), had incorporated a subsidiary in Brunei, PJM on 18 August 2018. The new subsidiary acts as the local arm of PJS for the supply and installation of these products, and also to provide better sale and after sales services, to the clients in Brunei.

Recent developments in the Group's Renewable Energy Sector

The Group has, through its associate HTES, entered into a non-binding Memorandum of Understanding ("UNIMAS **MOU**") with Universiti Malaysia Sarawak ("**UNIMAS**") on 12 September 2018 for research collaboration.

UNIMAS is a university in Sarawak, Malaysia which was established in 1992. UNIMAS strives to enhance and strengthen its research capabilities and has undertaken various initiatives to complement its educational excellence. Under the UNIMAS MOU, the Company and UNIMAS have agreed to collaborate on research in the field of renewable and sustainable energy and to prepare proposals for joint grant applications through relevant government or private organizations. The parties shall also identify other areas of cooperation to be mutually agreed from time to time for the furtherance of the research collaboration.

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 ARISING DURING 2018 (Cont'd)

Grant of awards and options and issuance of new shares pursuant to the Annica Performance Share Plan and Annica Employee Share Option Scheme

Pursuant to the Annica Performance Share Plan ("**Share Plan**"), the Company has on 27 December 2018 granted Awards consisting of 1,529,667,781 Shares (the "**New Shares**"), the details of which are as follows:

(a)	Date of grant of Awards	27 December 2018
(b)	Number of Shares comprised in the Awards granted to each Director and controlling shareholders (and each of their associates)	1,365,774,805 Shares from the total 1,529,667,781 Shares under the Awards were granted to the following Directors under the Share Plan: **Name of Directors** — **No. of Share Awards** Sandra Liz Hon Ai Ling — 1,092,619,845 Nicholas Jeyaraj s/o Narayanan — 81,946,488 Ong Su Aun Jeffrey — 81,946,488 Su Jun Ming — 54,630,992 Adnan Bin Mansor — 54,630,992 Total — 1,365,774,805 No Share Awards were granted to any of the controlling shareholders (or their associates). A further 163,892,976 Shares under the Share Awards were awarded to senior management and other employees of the Company on the same terms herein.
(c)	Market price of the Shares on the date of grant	S$0.001
(d)	Vesting period of the Awards	The Shares allocated under the Share Plan shall vest immediately on 27 December 2018.

The New Shares issued *rank pari passu* in all respects with the existing shares of the Company.

Following the issue of the New Shares, the total number of issued and paid-up ordinary shares of the Company has increased from 14,645,099,267 to 16,174,767,048 Shares.

The New Shares are listed and quoted on the SGX-ST on 31 December 2018.

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

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

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).

OTHER MATTER

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, on 24 January 2019, the CAD confirmed to our auditor that its investigations are on-going.

The Company has been informed that its Non-Independent and Non-Executive Director, Mr. Nicholas Jeyaraj s/o Narayanan ("**Mr. Narayanan**") has received a notice dated 13 July 2018 from the CAD seeking his assistance in the investigations. In this connection, Mr. Narayanan was interviewed by the CAD on 17 July 2018. Mr. Narayanan intends to co-operate fully and extend all necessary assistance to the relevant authorities.

Further to Mr Narayanan's interview, the Board had subsequently been informed that the following individuals had also received similar notices from the CAD to seek their assistance in the same investigations, and in this connection:

(a) Mr Jeffrey Ong Su Aun, the Acting Independent and Non-Executive Chairman of the Company ("**Mr Ong**") was interviewed by the CAD on 10 September 2018;
(b) Mr Raymond Tan Soo Khoon, the former Lead Independent Director of the Company ("**Mr Tan**") was interviewed by the CAD on 11 September 2018;
(c) Mr Augustine A/L T.K. James, the former Lead Independent and Non-Executive Director of the Company ("**Mr James**") was interviewed by the CAD on 4 September 2018; and
(d) Mr N. Sivagurunathan V Narayanasamy, the former Independent and Non-Executive Director of the Company ("**Mr Narayanasamy**") was interviewed by the CAD on 4 September 2018.

(Mr Tan, Mr James and Mr Narayanasamy, shall collectively be referred to as the "**Ex-Directors**")

Mr Ong and the Ex-Directors intend to co-operate fully and extend all necessary assistance to the relevant authorities.

The business and operations of the Group are not affected by the investigations and will continue as normal. The Company will make further announcements as and when there are material developments concerning this matter.

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 FY2018 operating results were below the expectations as disclosed in the Company's FY2017 annual report and the HY2018 results announcement dated 13 August 2018. This was due to unexpected adverse changes in the operating environment in the oil and gas equipment and energy segment in 2H 2018, mainly due to the onset of protectionist measures between the major countries in 2018 which intensified during the later half of the year.

Furthermore, Malaysia which is the Group's primary market, experienced a change in Government in May 2018, resulting in uncertainty with regards to government policies and certain geo-political risks, leading to an uncertain business environment. Pursuant to that, certain acquisitions in recycling businesses which the Company had proposed had not been completed during the period, which, if completed, may have contributed positively towards the Group's FY2018 results.

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. Furthermore, concerns still exist over potentially adverse macroeconomic events such as Brexit and trade protectionism among major nations which may adversely impact the Group's businesses. While recognising the challenges it faces given the prevailing challenging economic conditions in the global markets, the Group continues to monitor these developments and undertake measures to mitigate any negative impact. The Group's entry into the Renewable Sector will facilitate its aim of achieving sustained performance in future.

Furthermore, Malaysia, the Group's primary market, has undergone a change in government, resulting in the possibility that certain policies may be amended in due course and other geopolitical risks. Due to these uncertainties, the Directors are closely monitoring and accessing the business environment and the likely impact on the Group.

The Company are exploring various options, which includes without limitation, taking up external financing, raising funds from the capital market, tapping on internal resources, or a combination of one or more of the options mentioned, in funding the activities under the Renewable Sector.

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 and the reason(s) for the decision.

No dividend has been recommended or declared for the current financial year as the Group is currently not profit-making.

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 pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or the Company during the financial year ended 31 December 2018.

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 Business Segments

In FY2018, the Group operates in four product segments – engineering services, oil and gas equipment, energy services, recycling and renewable energy and investments and others segment. The energy services segment was disposed in FY2018.

	Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Elimination S$'000	Continuing operations S$'000	Discontinued operations S$'000	Total S$'000
For the financial year ended 31 December 2018							
Revenue							
External sales	19	6,715	-	(657)	6,077	9,330	15,407
Inter-segment sales	-	(657)	-	657	-	-	-
Total revenue	19	6,058	-	-	6,077	9,330	15,407
Results							
Segment results	(389)	269	(2,860)	(908)	(3,888)	448	(3,440)
Interest income	17	3	176	(159)	37	-	37
Interest expense	-	(3)	(83)	16	(70)	(136)	(206)
(Loss)/profit before income tax	(372)	269	(2,767)	(1,051)	(3,921)	312	(3,609)
Income tax	-	(119)	-	-	(119)	(119)	(238)
(Loss)/profit for the financial year	(372)	150	(2,767)	(1,051)	(4,040)	193	(3,847)
Other information							
Capital expenditure	-	36	4	-	40	-	40
Depreciation					59	199	258
Fair value loss of financial assets, at fair value through profit or loss					12	-	12
Fair value gain on redeemable convertible bonds					(33)	-	(33)
Bad debt					13	-	13
Bad debt recoverable					(24)	(84)	(108)
Issuance of Annica Performance Share Plan					1,530	-	1,530
Write off - prepayment on RCB					520	-	520
					2,077	115	2,192
Assets							
Non-current assets	-	300	47	-	347	-	347
Other segment assets	877	3,443	7,891	(3,093)	9,118	-	9,118
Consolidated total assets							9,465
Liabilities							
Segment liabilities	550	1,996	1,429	(458)	3,517	-	3,517
Borrowings	-	77	1,490	-	1,567	-	1,567
Current income tax liabilities	-	115	-	-	115	-	115
Deferred tax liabilities	-	22	-	-	22	-	22
Consolidated total liabilities							5,221

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 Business Segments (Cont'd)

	Engineering services S$'000	Oil and gas equipment S$'000	Investments and others S$'000	Elimination S$'000	Continuing operations S$'000	Discontinued operations S$'000	Total S$'000
For the financial year ended 31 December 2017 (Restated)							
Revenue							
External sales	17	8,793	-	(998)	7,812	7,572	15,384
Inter-segment sales	-	(998)	-	998	-	-	-
Total revenue	17	7,795	-	-	7,812	7,572	15,384
Results							
Segment results	(644)	(30)	(942)	(98)	(1,714)	935	(779)
Interest income	25	5	165	(190)	5	-	5
Interest expense	-	(4)	(331)	25	(310)	(35)	(345)
(Loss)/profit before income tax	(619)	(29)	(1,108)	(263)	(2,019)	900	(1,119)
Income tax	-	(55)	-	-	(55)	(150)	(205)
(Loss)/profit for the financial year	(619)	(84)	(1,108)	(263)	(2,074)	750	(1,324)
Other information							
Capital expenditure	-	15	77	-	92	475	567
Depreciation	-	24	63	-	87	135	222
Allowance for impairment of doubtful receivables					47	82	129
Fair value loss of financial assets, at fair value through profit or loss					16	-	16
Fair value gain on redeemable convertible bonds					(67)	-	(67)
Impairment loss on available-for-sale financial assets					1	-	1
Impairment loss on other receivables					150	-	150
					234	217	451
Assets							
Non-current assets	-	502	6,472	(5,586)	1,388	1,224	2,612
Other segment assets	1,067	3,283	3,424	(2,638)	5,136	5,105	10,241
Consolidated total assets							12,853
Liabilities							
Segment liabilities	368	2,027	1,712	(2,023)	2,084	1,537	3,621
Borrowings	-	85	3,778	-	3,863	430	4,293
Current income tax liabilities	-	28	-	-	28	208	236
Deferred tax liabilities	-	22	-	-	22	93	115
Consolidated total liabilities							8,265

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 Geographical Segments
The Group's activities are primarily based in Singapore, Malaysia, Indonesia and Brunei.

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

	Revenue		Segment assets		Capital additions	
	FY2018 S$'000	FY2017 S$'000	FY2018 S$'000	FY2017 S$'000	FY2018 S$'000	FY2017 S$'000
Continuing operations						
Singapore	2,105	3,796	7,208	4,947	4	77
Malaysia	3,213	3,739	1,849	1,544	1	12
Indonesia	534	277	152	32	35	3
Brunei	225	-	256	-	-	-
	6,077	**7,812**	**9,465**	**6,523**	**40**	**92**
Discontinued operations						
Malaysia	9,330	7,572	-	6,330	-	475
	15,407	**15,384**	**9,465**	**12,853**	**40**	**567**

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		
	FY2018 S$'000	FY2017 S$'000 (Restated)	Increase/ (Decrease) %
Revenue reported for first half year	7,737	9,009	(14)
Operating loss after tax before deducting non-controlling interest reported for first half year	(879)	(699)	26
Revenue reported for second half year	7,670	6,375	20
Operating loss after tax before deducting non-controlling interest reported for second half year	(2,968)	(625)	NM

NM: Not meaningful

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.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chong Chow Heng	61	Father of Chong Shin Mun, a substantial shareholder of the Company and a director of the Company's subsidiary, GPE.	General Manager, GPE. Responsible for the operations and business developments of GPE. The position was held since the Company acquired GPE in FY2016.	The Group has disposed GPE during FY2018.

Other than the above, 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 pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD
ANNICA HOLDINGS LIMITED

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer
1 March 2019