

ANNICA HOLDINGS LIMITED

Condensed Interim Financial Statements For The Fourth Quarter Financial Period and Financial Year Ended 31 December 2021

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, "FY2021" refers to the full financial year ended 31 December 2021, whereas "FY2020" refers to the full financial year ended 31 December 2020. "4Q2021" refers to the three-month financial period ended 31 December 2021, whereas "4Q2020" refers to the corresponding three-month financial period ended 31 December 2020. "9M2021" refers to the nine-month financial period ended 30 September 2021, being the previous financial period reported on.

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 DECEMBER 2021

	Note	Group					
		4Q2021 S\$'000	4Q2020 S\$'000	Increase/ (Decrease) %	FY2021 S\$'000	FY2020 S\$'000	Increase/ (Decrease) %
Revenue	4	2,760	2,978	(7)	7,699	10,906	(29)
Cost of sales		(1,654)	(1,467)	13	(5,186)	(7,408)	(30)
Gross profit		1,106	1,511	(27)	2,513	3,498	(28)
Other income		27	55	(51)	428	436	(2)
Interest income		57	63	(10)	225	225	-
Selling and distribution expenses		(73)	(23)	NM	(109)	(121)	(10)
Administrative and general expenses		(1,103)	(1,155)	(5)	(3,888)	(4,056)	(4)
Other expenses		(17)	(76)	(78)	(27)	(82)	(67)
Impairment losses on trade and other receivables		-	(933)	NM	-	(933)	NM
Finance costs		(11)	(28)	(61)	(43)	(53)	(19)
Loss before tax	6	(14)	(586)	(98)	(901)	(1,086)	(17)
Tax expense	7	(33)	(113)	(71)	(99)	(113)	(12)
Loss for the financial period		(47)	(699)	(93)	(1,000)	(1,199)	(17)
Other comprehensive (loss)/income							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		(8)	10	NM	(74)	34	NM
Other comprehensive (loss)/income for the financial period, net of tax		(8)	10	NM	(74)	34	NM
Total comprehensive loss for the financial period		(55)	(689)	(92)	(1,074)	(1,165)	(8)

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 DECEMBER 2021 (cont'd)

Note	Group					
	4Q2021 S\$'000	4Q2020 S\$'000	Increase/ (Decrease) %	FY2021 S\$'000	FY2020 S\$'000	Increase/ (Decrease) %
(Loss)/profit attributable to:						
- Equity holders of the Company	(56)	(690)	(92)	(981)	(1,136)	(14)
- Non-controlling interests	9	(9)	NM	(19)	(63)	(70)
Loss for the financial period	(47)	(699)	(93)	(1,000)	(1,199)	(17)
Total comprehensive (loss)/income attributable to:						
- Equity holders of the Company	(64)	(680)	(91)	(1,055)	(1,102)	(4)
- Non-controlling interests	9	(9)	NM	(19)	(63)	(70)
Total comprehensive loss for the financial period	(55)	(689)	(92)	(1,074)	(1,165)	(8)
Loss per share for loss attributable to the equity holders of the Company (cents per share)						
- Basic and diluted	(0.0003)	(0.0041)	(93)	(0.0059)	(0.0068)	(13)

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 DECEMBER 2021**

	Note	Group		Company	
		As at FY2021 S\$'000	As at FY2020 S\$'000	As at FY2021 S\$'000	As at FY2020 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	437	593	86	135
Right-of-use assets		502	736	116	209
Intangible assets	11	41	36	-	-
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	-	33	223	330
		<u>983</u>	<u>1,401</u>	<u>2,576</u>	<u>2,825</u>
Current assets					
Cash and cash equivalents		731	1,393	65	110
Fixed deposits		654	552	-	-
Trade and other receivables	13	5,592	6,458	3,590	3,421
Inventories		900	536	-	-
Financial assets at fair value through profit or loss	10	-	5	96	101
		<u>7,877</u>	<u>8,944</u>	<u>3,751</u>	<u>3,632</u>
Total assets		<u>8,860</u>	<u>10,345</u>	<u>6,327</u>	<u>6,457</u>
LIABILITIES					
Non-current liabilities					
Trade and other payables		-	-	-	-
Borrowings	14	1,026	1,545	96	283
Provision for employee benefits		94	94	-	-
Deferred tax liabilities		22	42	-	-
		<u>1,142</u>	<u>1,681</u>	<u>96</u>	<u>283</u>
Current liabilities					
Trade and other payables		4,319	4,222	4,608	3,590
Contract liabilities		533	749	-	-
Borrowings	14	714	474	186	194
Tax payable		3	1	-	-
		<u>5,569</u>	<u>5,446</u>	<u>4,794</u>	<u>3,784</u>
Total liabilities		<u>6,711</u>	<u>7,127</u>	<u>4,890</u>	<u>4,067</u>
Net assets		<u>2,149</u>	<u>3,218</u>	<u>1,437</u>	<u>2,390</u>
EQUITY					
Share capital	15	67,801	67,801	67,801	67,801
Accumulated losses		(63,815)	(62,834)	(66,453)	(65,500)
Other reserves		(1,815)	(1,746)	89	89
Equity attributable to equity holders of the Company		<u>2,171</u>	<u>3,221</u>	<u>1,437</u>	<u>2,390</u>
Non-controlling interests		(22)	(3)	-	-
Total equity		<u>2,149</u>	<u>3,218</u>	<u>1,437</u>	<u>2,390</u>

(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 DECEMBER 2021**

	Note	Group			
		4Q2021 S\$'000	4Q2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Cash flows from operating activities					
Loss before tax		(14)	(586)	(901)	(1,086)
Adjustments for:					
Depreciation of property, plant and equipment	6	51	48	194	98
Depreciation of right-of-use assets	6	57	(18)	234	194
Fair value gain on redeemable convertible bonds ("RCBs")	6	-	(3)	-	(44)
Fair value loss on financial assets at fair value through profit or loss	6	2	-	5	1
Loss/(Gain) on disposal of property, plant and equipment	6	-	(1)	5	4
Impairment losses on trade and other receivables	6	-	933	-	933
Interest expenses	6	11	28	43	53
Interest income	6	(57)	(63)	(225)	(225)
Reversal of inventories previously written down		-	(21)	-	(21)
Loss on lease modification	6	-	10	-*	10
Bad debt written off	6	-	24	-	24
Bad debt recovered	6	(31)	-	(31)	-
Operating cash flows before working capital changes		19	351	(676)	(59)
Changes in working capital:					
Inventories		109	512	(364)	(240)
Payables and contract liabilities		619	(425)	(107)	800
Receivables		(628)	220	1,162	(208)
Currency translation difference		(12)	24	(71)	4
Cash generated from/(used in) operations		107	682	(56)	297
Income tax paid		(38)	(128)	(139)	(138)
Net cash generated from/(used in) operating activities		69	554	(195)	159
Cash flows from investing activities					
Interest received		4	6	11	8
Purchase of property, plant and equipment		(16)	(445)	(52)	(503)
Proceeds from disposals of property, plant and equipment		-	(1)	-	31
Net cash used in investing activities		(12)	(440)	(41)	(464)
Cash flows from financing activities					
Interest paid for bank loans		(9)	(12)	(35)	(15)
Interest paid for lease liabilities		(2)	6	(8)	(8)
Interest paid for third party		-	-	(12)	-
Loan from a third party		-	-	-	138
Placement of fixed deposit pledged		(31)	(228)	(13)	(228)
Proceeds of borrowings		188	-	188	1,300
Repayment of borrowings		(78)	8	(247)	(554)
Repayment of lease liabilities		(50)	(15)	(207)	(218)
Net cash generated from/(used in) financing activities		18	(241)	(334)	415
Net increase/(decrease) in cash and cash equivalents		75	(127)	(570)	110
Cash and cash equivalents at beginning of the financial period		655	1,467	1,301	1,206
Effects of foreign currency translation on cash and cash equivalents		1	(39)	-*	(15)
Cash and cash equivalents at end of the financial period		731	1,301	731	1,301

*Amount less than S\$1,000

(c) A statement of cash flows (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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (cont'd)**

	Note	Group			
		4Q2021 S\$'000	4Q2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Cash and cash equivalents at end of the financial period were made up of:					
Cash and cash equivalents		731	1,393	731	1,393
Deposit placed in cash margin account		-	(92)	-	(92)
		731	1,301	731	1,301

(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 DECEMBER 2021**

	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 2021		67,801	(62,834)	(1,746)	3,221	(3)	3,218
Transfer to capital reserve		-	-	5	5	-	5
Loss for the financial period		-	(981)	-	(981)	(19)	(1,000)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(74)	(74)	-	(74)
Total comprehensive loss for the financial period		-	(981)	(74)	(1,055)	(19)	(1,074)
Balance as at 31 December 2021		67,801	(63,815)	(1,815)	2,171	(22)	2,149
Balance as at 1 January 2020		67,801	(61,698)	(1,780)	4,323	60	4,383
Loss for the financial period		-	(1,136)	-	(1,136)	(63)	(1,199)
Other comprehensive income:							
Currency translation differences arising from consolidation		-	-	34	34	-	34
Total comprehensive (loss)/income for the financial period		-	(1,136)	34	(1,102)	(63)	(1,165)
Balance as at 31 December 2020		67,801	(62,834)	(1,746)	3,221	(3)	3,218

(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 DECEMBER 2021 (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 2021		67,801	(65,500)	89	2,390
Loss and total comprehensive loss for the financial period		-	(953)	-	(953)
Balance as at 31 December 2021		67,801	(66,453)	89	1,437
Balance as at 1 January 2020		67,801	(63,755)	89	4,135
Loss and total comprehensive loss for the financial period		-	(1,745)	-	(1,745)
Balance as at 31 December 2020		67,801	(65,500)	89	2,390

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 December 2021 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 FY2021 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 nine-month financial period ended 30 September 2021.

The accounting policies adopted for the condensed interim financial statements for FY2021 are consistent with those of the previous financial year 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 2021, 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 of the Group as at and for the financial year ended 31 December 2020.

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

3. Seasonal operations

The Group’s businesses were not affected significantly by seasonal or cyclical factors during FY2021.

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
FY2021					
Revenue					
External sales	759	6,940	-	-	7,699
Inter-segment sales	-	-	-	-	-
Total revenue	759	6,940	-	-	7,699
Interest income	-	11	218	(4)	225
Other income	9	298	245	(124)	428
Total other income	9	309	463	(128)	653
Total revenue and other income	768	7,249	463	(128)	8,352
Depreciation of PPE	(13)	(127)	(54)	-	(194)
Depreciation of ROU assets	(27)	(114)	(93)	-	(234)
Interest expense	(9)	(31)	(7)	4	(43)
Segment profit	719	6,977	309	(124)	7,881
Unallocated expenses	(950)	(6,683)	(1,280)	131	(8,782)
(Loss)/Profit before tax	(231)	294	(971)	7	(901)
Tax expense	(6)	(93)	-	-	(99)
(Loss)/Profit for the interim period	(237)	201	(971)	7	(1,000)
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

4.1 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
FY2020					
Revenue					
External sales	732	10,174	-	-	10,906
Inter-segment sales	-	-	-	-	-
Total revenue	732	10,174	-	-	10,906
Interest income	2	8	219	(4)	225
Other income	21	229	314	(128)	436
Total other income	23	237	533	(132)	661
Total revenue and other income	755	10,411	533	(132)	11,567
Depreciation of PPE	(3)	(64)	(31)	-	(98)
Depreciation of ROU assets	(11)	(95)	(88)	-	(194)
Interest expense	(15)	(27)	(15)	4	(53)
Segment profit	726	10,225	399	(128)	11,222
Unallocated expenses	(1,098)	(9,146)	(2,197)	133	(12,308)
(Loss)/Profit before tax	(372)	1,079	(1,798)	5	(1,086)
Tax expense	-	(113)	-	-	(113)
(Loss)/Profit for the interim period	(372)	966	(1,798)	5	(1,199)
Assets					
Non-current assets	101	884	380	-	1,365
Other segment assets	1,409	5,575	6,534	(4,538)	8,980
Consolidated total assets	1,510	6,459	6,914	(4,538)	10,345
Expenditures for segment non-current assets					
Additions to PPE	35	322	146	-	503
Additions to ROU assets	80	287	241	-	608
	115	609	387	-	1,111
Liabilities					
Segment liabilities	930	2,037	3,963	(1,865)	5,065
Borrowings	520	1,289	641	(431)	2,019
Deferred tax liabilities	-	42	-	-	42
Tax payable	-	1	-	-	1
Consolidated total liabilities	1,450	3,369	4,604	(2,296)	7,127

4.2 Disaggregation of Revenue

	Group FY2021			
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	759	6,706	-	7,465
Services rendered	-	234	-	234
	<u>759</u>	<u>6,940</u>	<u>-</u>	<u>7,699</u>
Timing of revenue recognition:				
At a point in time	759	5,651	-	6,410
Over time	-	1,289	-	1,289
	<u>759</u>	<u>6,940</u>	<u>-</u>	<u>7,699</u>
Geographical information:				
Singapore	28	637	-	665
Malaysia	678	3,925	-	4,603
Indonesia	-	1,164	-	1,164
Thailand	-	402	-	402
Vietnam	53	33	-	86
Brunei & Myanmar	-	713	-	713
Others	-	66	-	66
	<u>759</u>	<u>6,940</u>	<u>-</u>	<u>7,699</u>
FY2020				
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	255	6,884	-	7,139
Services rendered	477	3,290	-	3,767
	<u>732</u>	<u>10,174</u>	<u>-</u>	<u>10,906</u>
Timing of revenue recognition:				
At a point in time	732	10,174	-	10,893
Over time	-	-	-	13
	<u>732</u>	<u>10,174</u>	<u>-</u>	<u>10,906</u>
Geographical information:				
Singapore	-	924	-	924
Malaysia	255	5,770	-	6,025
Indonesia	-	2,307	-	2,307
Thailand	-	480	-	480
Vietnam	-	10	-	10
China	477	-	-	477
Brunei & Myanmar	-	666	-	666
Others	-	17	-	17
	<u>732</u>	<u>10,174</u>	<u>-</u>	<u>10,906</u>

4.2 Disaggregation of Revenue (cont'd)

	Group 4Q2021			
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	34	2,696	-	2,730
Services rendered	-	30	-	30
	<u>34</u>	<u>2,726</u>	<u>-</u>	<u>2,760</u>
Timing of revenue recognition:				
At a point in time	34	2,496	-	2,530
Over time	-	230	-	230
	<u>34</u>	<u>2,726</u>	<u>-</u>	<u>2,760</u>
Geographical information:				
Singapore	28	(6)	-	22
Malaysia	6	1,507	-	1,513
Indonesia	-	875	-	875
Thailand	-	32	-	32
Vietnam	-	-	-	-
Brunei & Myanmar	-	259	-	259
Others	-	59	-	59
	<u>34</u>	<u>2,726</u>	<u>-</u>	<u>2,760</u>

	4Q2020			
	Engineering services	Oil and gas equipment	Investments and others	Total
	\$'000	\$'000	\$'000	\$'000
Types of goods or services:				
Sale of goods	22	(779)	-	(757)
Services rendered	452	3,283	-	3,735
	<u>474</u>	<u>2,504</u>	<u>-</u>	<u>2,978</u>
Timing of revenue recognition:				
At a point in time	474	2,491	-	2,965
Over time	-	13	-	13
	<u>474</u>	<u>2,504</u>	<u>-</u>	<u>2,978</u>
Geographical information:				
Singapore	(25)	21	-	(4)
Malaysia	22	674	-	696
Indonesia	-	1,535	-	1,535
Thailand	-	111	-	111
Vietnam	-	-	-	-
China	477	-	-	477
Brunei & Myanmar	-	163	-	163
Others	-	-	-	-
	<u>474</u>	<u>2,504</u>	<u>-</u>	<u>2,978</u>

4.2 Disaggregation of Revenue (cont'd)

A breakdown of sales:

	Group		Increase/ (Decrease)
	FY2021	FY2020	%
	S\$'000	S\$'000	
Sales reported for first half year	3,849	5,560	(31)
Operating loss after tax before deducting non-controlling interests reported for first half year	(590)	(383)	54
Revenue reported for second half year	3,850	5,346	(28)
Operating loss after tax before deducting non-controlling interests reported for second half year	(410)	(816)	(50)

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 December 2021 and 31 December 2020:

	Note	Group		Company	
		FY2021	FY2020	FY2021	FY2020
Financial Assets					
Financial assets at fair value through profit or loss	10	3	8	96	101
Cash and bank balances and trade and other receivables (Amortised cost)		6,490	7,618	3,857	3,835
		<u>6,493</u>	<u>7,626</u>	<u>3,953</u>	<u>3,936</u>
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		5,918	6,056	4,762	3,976

6. Loss before taxation

6.1 Significant items

	Group			
	4Q2021	4Q2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Income				
Interest income from bank and deposits	4	6	11	8
Interest income from a related party	-	4	-	4
Interest income from a third party	53	53	214	213
Commission income	-	2	-	3
Miscellaneous income	2	10	82	40
Government grant received	-	32	158	224
Extension fees on amount due from Ms Chong Shin Mun	15	25	55	55
Insurance claims	-	-	-	35
Fair value gain on RCBs	-	3	-	44
Rent concession	8	13	8	13
Subcontractor income	-	22	-	22
Bad debt recovered	-	-	31	-
Foreign currency exchange gain/(loss), net	2	(88)	94	(36)
Expenses				
Amortisation of interest expenses on RCBs	-	3	-	3
Interest expenses on borrowings	9	17	35	33
Interest expenses on lease liabilities	2	(1)	8	8
Interest expenses on employee benefit	-	9	-	9
Loss/(Gain) on disposal of property, plant and equipment	-	(1)	5	4
Fair value loss on financial assets at fair value through profit and loss	2	-	5	1
Loss on lease modification	-	10	-	10
Provision for doubtful debt	-	933	-	933
Bad debt written off	-	24	-	24
Depreciation of property, plant and equipment	51	48	194	98
Depreciation of right of use assets	57	(18)	234	194

6.2 Related party transactions

There were no material related party transactions in FY2021.

7. Taxation

	4Q2021 S\$'000	4Q2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Current income tax expense	54	102	120	102
Deferred income tax expense/(income)	(21)	11	(21)	11
	33	113	99	113

8. Dividends

No dividend has been declared during FY2020 and FY2021.

9. Net Asset Value

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
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)	0.013	0.019	0.009	0.014

Net asset value per ordinary share of the Group as at FY2021 was calculated by dividing the Group's net asset value attributable to equity holders as at FY2021 of S\$2,171,000 (FY2020: S\$3,221,000) by the number of issued ordinary shares of the Company as at FY2021 of 16,674,767,048 (FY2020: 16,674,767,048).

Net asset value per ordinary share of the Company as at FY2021 was calculated by dividing the Company's net asset value attributable to equity holders as at FY2021 of S\$1,437,000 (FY2020: S\$2,390,000) by the number of issued ordinary shares of the Company as at FY2021 of 16,674,767,048 (FY2020: 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	
	FY2021 S\$'000	FY2020 S\$'000
Quoted equity investments on the SGX-ST	3	8

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 December 2021				
Financial assets				
FVTPL investments (Quoted investments)	3	-	-	3
Group – 31 December 2020				
Financial assets				
FVTPL investments (Quoted investments)	8	-	-	8

11. Intangible assets

	Group S\$'000
Goodwill on consolidation	
At 31 December 2020	36
Acquisition of subsidiary	5
At 31 December 2021	41

The goodwill amount of S\$5,000 arose from the Company's increased shareholding interest in its indirect subsidiary, Cahya Suria Services Sdn. Bhd. (formerly known as Renosun International Sdn. Bhd.), as announced on 24 May 2021.

12. Property, plant and equipment

During FY2021, the Group acquired plant and equipment amounting to S\$52,000 (31 December 2020: S\$503,000) and disposed of plant and equipment amounting to S\$7,000 (31 December 2020: S\$44,000).

13. Trade and other receivables

Trade and other receivables comprise the following:

	FY2021 S\$'000	FY2020 S\$'000
Trade and other receivables		
Trade receivables	1,710	2,389
Other receivables:		
GPE Power Systems (M) Sdn. Bhd. ("GPE")	3,147	2,992
Advance billings from suppliers	366	773
Chong Shin Mun	156	140
Others	213	197
	<u>3,882</u>	<u>4,102</u>
	<u>5,592</u>	<u>6,491</u>

13.1 Ageing profile of trade and other receivables

	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
	<u>1,710</u>	<u>1,543</u>	<u>93</u>	<u>35</u>	<u>39</u>
Other receivables					
Engineering services	35	11	-	-	24
Oil and gas equipment	380	380	-	-	-
Investments and others	3,467	180	22	23	3,242
	<u>3,882</u>	<u>571</u>	<u>22</u>	<u>23</u>	<u>3,266</u>
	<u>5,592</u>	<u>2,114</u>	<u>115</u>	<u>58</u>	<u>3,305</u>

	FY2020				
	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	863	-	233	233	397
Oil and gas equipment	1,524	1,020	13	-	491
Investments and others	2	-	-	-	2
	<u>2,389</u>	<u>1,020</u>	<u>246</u>	<u>233</u>	<u>890</u>
Other receivables					
Engineering services	35	4	-	-	31
Oil and gas equipment	787	81	-	40	666
Investments and others	3,280	31	21	31	3,197
	<u>4,102</u>	<u>116</u>	<u>21</u>	<u>71</u>	<u>3,894</u>
	<u>6,491</u>	<u>1,136</u>	<u>267</u>	<u>304</u>	<u>4,784</u>

14. Borrowings

	FY2021			FY2020		
	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	188	193	113	150	211
Amount repayable after one year	919	-	107	1,252	-	293

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 FY2021 and FY2020.

15. Share Capital

	The Group and the Company			
	FY2021		FY2020	
	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	16,674,767	67,801	16,674,767	67,801

There were no changes in the Company's share capital for FY2021 since the end of FY2020.

16. Acquisition of subsidiary

As previously disclosed in the Company's condensed interim financial statements announcement for 9M2021 dated 10 November 2021, Cahya Suria Energy Sdn. Bhd. ("**CSE**"), a wholly owned subsidiary of the Company, had, on 24 May 2021, increased its shareholding interest in Cahya Suria Services Sdn. Bhd. (formerly known as Renosun International Sdn. Bhd.) ("**CSS**") from 51% to 100% by way of an acquisition by CSE of 4,900 ordinary shares ("**Sale Shares**") representing 49% shareholding in CSS from Renosun (KL) Sdn. Bhd., for a cash consideration of RM4,900 (equivalent to S\$1,575, based on the prevailing exchange rate of RM1.00 : S\$0.3214 as at 24 May 2021 as published by the Monetary Authority of Singapore). As disclosed in the Company's 24 May 2021 announcement, the consideration was arrived at on a willing buyer willing seller basis and pursuant to negotiations on an arm's length basis, based on the total paid-up capital of CSS. As at 31 December 2020, the audited net liability value of the Sale Shares was RM2,053 (equivalent to S\$676, based on the prevailing exchange rate of RM1.00 : S\$0.3294 as at 31 December 2020 as published by the Monetary Authority of Singapore).

CSS is expected to be the primary vehicle for the Group's renewable energy-related projects, in anticipation of securing potential renewable energy projects currently in the pipeline.

The Group incurred acquisition-related costs of S\$102 relating to administrative costs and these have been classified as 'general and administrative' expenses in the condensed interim consolidated statement of profit or loss.

Purchase consideration	S\$'000
Cash paid	2

Assets and liabilities recognised as a result of the acquisition

	S\$'000
Cash and cash equivalent	2
Inventories	11
Payables	(15)
Net identifiable liabilities acquired	(2)
Add: Goodwill	5
	3

17. 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 4Q2021 since the end of 9M2021, being the previous financial period reported on.

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 December 2021, the number of shares that may be issued on conversion of all the outstanding convertible securities was 30,000,000 (31 December 2020: 42,500,000) which represented approximately 0.18% (31 December 2020: 0.25%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 31 December 2021 and 31 December 2020.

(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 FY2021	As at FY2020
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 December 2021 and 31 December 2020.

(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 December 2021 and 31 December 2020.

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, 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\$1,106,446 (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\$3,170,874 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. As a result, the proposed sale has been inadvertently delayed although the parties are working towards completion expeditiously. Notwithstanding the above, the Company is continuing its engagement with Ms Chong Shin Mun towards recovering the outstanding amounts, including, *inter alia*, obtaining regular updates on the proposed sale of these assets.

(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 financial statements for the financial year ended 31 December 2020.

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 2021. 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).

	4Q2021	4Q2020	Group FY2021	FY2020
Loss per share based on the weighted average number of shares on issue (in cents):				
- basic and diluted loss per share (Note (a))	(0.0003)	(0.0041)	(0.0059)	(0.0068)

(a) Basic and diluted loss per share for 4Q2021 and FY2021 were calculated by dividing the loss attributable to equity holders of the Company of S\$56,000 and S\$981,000 respectively (4Q2020: S\$690,000; FY2020: S\$1,136,000) by the weighted average number of shares for 4Q2021 and FY2021 of 16,674,767,048 (4Q2020 and FY2020: 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 FY2021 for further explanation.

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 FY2021.

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 FY2021 operating results were generally in line with the expectations as previously disclosed in the Company's FY2020 annual report.

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 COVID-19 pandemic. Further, the pandemic combined with current geopolitical tensions between major economies has also severely disrupted supply chains and logistics globally which may inadvertently adversely impact the Group's operations and performance, especially the oil and gas equipment segment which is highly susceptible to geopolitical risks. Growing trade protectionism between major economies is also likely to adversely impact the Group's businesses. In addition, Malaysia, a key market for the Group, has experienced a period of political instability since 2018. The unstable political situation compounded by the effects of the pandemic has adversely impacted the Malaysian economy which in turn has also adversely affected the oil and gas equipment segment as well as the Group's projects in the renewable segment.

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 FY2020.

(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 FY2021.

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 FY2021.

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.

16. 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

17. 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a 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.

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 interim condensed financial statements for the financial year ended 31 December 2021 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
25 February 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\$2,760,000 in 4Q2021, which was a decrease of S\$218,000 (7%) from S\$2,978,000 in 4Q2020. The Group had reported lower revenue in 4Q2021 as compared to 4Q2020, mainly due to lower revenue generated from the engineering services segment in 4Q2021.

The Group posted revenue of S\$7,699,000 in FY2021, which was a decrease of S\$3,207,000 (29%) from S\$10,906,000 in FY2020. This was mainly due to a one-off project with high revenue and low gross profit margin in FY2020.

Gross Profit

The Group reported a gross profit of S\$1,106,000 in 4Q2021, which was a decrease of S\$405,000 (27%) from S\$1,511,000 in 4Q2020. The gross profit margin reported was 40% in 4Q2021, which was a decrease of 11% from 51% in 4Q2020. This was mainly due to lower gross profit margin projects in the oil and gas equipment segment in 4Q2021 as compared to 4Q2020.

The Group reported a gross profit of S\$2,513,000 in FY2021, which was a decrease of S\$985,000 (28%) from S\$3,498,000 in FY2020. The gross profit margin reported was 33% in FY2021, which was an increase of 1% from 32% in FY2020. This inverse relationship between gross profit and gross profit margin was mainly due to higher revenue associated with higher cost of sales incurred in a one-off lower margin project in the oil and gas equipment segment during FY2020.

Other income

The Group reported other income of S\$27,000 in 4Q2021, which was a 51% decrease of S\$28,000 from S\$55,000 in 4Q2020. This was mainly due to the miscellaneous income and rent concession received in 4Q2021. By comparison, in 4Q2020, other income comprised mainly amounts received from the Singapore government under the Job Support Scheme offset against foreign exchange loss.

The Group received other income of S\$428,000 in FY2021, which was a 2% decrease of S\$8,000 from S\$436,000 in FY2020. In FY2021, other income comprised mainly amounts received from the Singapore government under the Job Support Scheme, bad debt recovered and a gain on foreign currency exchange. The bad debt recovered concerned Panah Jaya Services Sdn. Bhd., a related subsidiary, which had fully recovered the bad debt of S\$31,000 from its trade receivable which had been written off during FY2020. By comparison, in FY2020, other income comprised mainly amounts received from the Singapore government under the Job Support Scheme, insurance claims received and fair value gain on redeemable convertible bonds. Foreign exchange gain was higher in FY2021 as compared to FY2020 mainly due to the fluctuation of the Malaysian Ringgit and the Indonesian Rupiah against the United States Dollar and Singapore Dollar in FY2021.

Interest income

The Group received interest income of S\$57,000 in 4Q2021, which was a 10% decrease of S\$6,000 from S\$63,000 in 4Q2020. The Group received interest income of S\$225,000 in both FY2021 and FY2020. There was a marginal variance for both periods reported on.

Selling and distribution expenses

The Group had incurred selling and distribution expenses of S\$73,000 in 4Q2021, which was an increase of S\$50,000 from S\$23,000 in 4Q2020. This was mainly due to higher travelling expenses incurred during 4Q2021 as compared to 4Q2020.

The Group had incurred selling and distribution expenses of S\$109,000 in FY2021, which was a decrease of S\$12,000 from S\$121,000 in FY2020. This was mainly due to lower travelling expenses and storage and logistics fees during FY2021.

Administrative and general expenses

The Group had incurred administrative and general expenses of S\$1,103,000 in 4Q2021, which was a 5% decrease of S\$52,000 from S\$1,155,000 in 4Q2020. This was mainly due to a reduction in employment expenses during 4Q2021.

The Group had incurred administrative and general expenses of S\$3,888,000 in FY2021, which was a 4% decrease of S\$168,000 from S\$4,056,000 in FY2020. This was mainly due to a reduction in professional fees incurred during FY2021. The depreciation charged on property, plant and equipment ("PPE") had increased in FY2021, and this was mainly due to the addition of PPE in the fourth quarter of FY2020.

Other expenses

The Group had incurred other expenses of S\$17,000 in 4Q2021, which was a 78% decrease of S\$59,000 from S\$76,000 in 4Q2020. Other expenses incurred in 4Q2021 were mainly due to fair value loss on financial assets. By comparison, in 4Q2020, other expenses comprised bad debt written off on trade receivables, loss on lease modification and foreign currency losses.

The Group had incurred other expenses of S\$27,000 in FY2021, which was a 67% decrease of S\$55,000 from S\$82,000 in FY2020. Other expenses incurred in FY2021 were mainly due to fair value loss on financial assets and losses incurred on the disposal of plant and equipment during FY2021. By comparison, in FY2020, other expenses incurred were mainly due to the recognition of bad debt, loss on lease modification and foreign currency loss.

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)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

Impairment losses on financial assets

There were no impairment losses on financial assets during 4Q2021 and FY2021. Impairment loss on other receivables of S\$933,000 had been recognised during 4Q2020 and FY2020.

Finance costs

The Group had incurred finance costs of S\$11,000 in 4Q2021, which was a 61% decrease of S\$17,000 from S\$28,000 in 4Q2020. The finance costs incurred in 4Q2021 arose mainly from interest expenses on borrowings and lease liabilities.

The Group had incurred finance costs of S\$43,000 in FY2021, which was a 19% decrease of S\$10,000 from S\$53,000 in FY2020. The finance costs incurred mainly comprised loan interest incurred on a bank loan obtained in the third quarter of FY2020 and interest expenses on lease liabilities.

Tax expense

The Group's income tax expense was S\$33,000 in 4Q2021, which was a 71% decrease of S\$80,000 from S\$113,000 in 4Q2020. The tax expense incurred by the Group was S\$99,000 in FY2021, which was a 12% decrease of S\$14,000 from S\$113,000 in FY2020. The tax expense arose mainly from the oil and gas equipment and engineering services segments during 4Q2021 and FY2021.

Loss for the financial period

The Group reported a loss for the financial period of S\$47,000 in 4Q2021, which was a 93% decrease of S\$652,000 from S\$699,000 in 4Q2020. The Group reported a loss for the financial period of S\$1,000,000 in FY2021, which was a 17% decrease of S\$199,000 from S\$1,199,000 in FY2020. The impairment loss on other receivables of S\$933,000 had led to a higher loss in 4Q2020 and FY2020 as compared to 4Q2021 and FY2021.

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
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STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by S\$418,000 from S\$1,401,000 as at FY2020 to S\$983,000 as at FY2021. This was mainly due to a decrease in other receivables and depreciation charged to property, plant and equipment and right-of-use assets.

Current assets

Current assets of the Group amounted to S\$7,877,000 as at FY2021, a decrease of S\$1,067,000 from S\$8,944,000 as at FY2020. This was primarily due to a decrease in cash and bank balances, trade and other receivables and financial assets at fair value through profit or loss which were offset by higher inventories and fixed deposit pledged to bank.

Non-current liabilities

There was a decrease in the Group's non-current liabilities of S\$539,000 from S\$1,681,000 as at FY2020 to S\$1,142,000 as at FY2021 mainly due to the reclassification of long-term borrowings to short-term borrowings.

Current liabilities

The Group reported current liabilities of S\$5,569,000 as at FY2021, which was an increase of S\$123,000 from S\$5,446,000 as at FY2020. This was mainly due to higher trade and other payables and borrowings arising from the reclassification of long-term borrowings to short-term borrowings offset against lower contract liabilities.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was S\$2,171,000 as at FY2021. This represents a decrease of S\$1,050,000 from S\$3,221,000 as at FY2020 mainly as a result of losses incurred during FY2021.

STATEMENT OF CASH FLOWS

4Q2021

The Group also recorded a net cash generated from operating activities of S\$69,000 in 4Q2021 (4Q2020: S\$554,000). The cash generated from operating activities for 4Q2021 was mainly due to lower loss before tax during 4Q2021.

The Group had recorded a net cash used in investing activities which amounted to S\$12,000 in 4Q2021 (4Q2020: S\$440,000), mainly due to payments made to acquire property, plant and equipment during 4Q2021.

The Group had posted a net cash generated from financing activities of S\$18,000 in 4Q2021 (4Q2020: net cash used in financing activities of S\$241,000). The cash generated from financing activities in 4Q2021 was mainly due to the proceeds from borrowing of S\$188,000 offset against interest paid on borrowings of S\$11,000, placement of fixed deposit pledged of S\$31,000 and repayment of borrowings and lease liabilities of S\$128,000.

FY2021

The Group had recorded a net cash used in operating activities which amounted to S\$195,000 in FY2021 (FY2020: net cash generated from operating activities of S\$159,000). This was mainly due to higher operating losses in FY2021.

The Group had recorded a net cash used in investing activities which amounted to S\$41,000 in FY2021 (FY2020: S\$464,000), mainly due to payments made to acquire property, plant and equipment during FY2021.

The Group had recorded a net cash used in financing activities which amounted to S\$334,000 in FY2021 (FY2020: cash generated from financing activities of S\$415,000). The net cash used in financing activities in FY2021 mainly comprised interest paid on borrowings of S\$55,000, placement of fixed deposit of S\$13,000, proceeds from borrowings of S\$188,000 and repayment of borrowings and lease liabilities of S\$454,000.

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MATTERS ARISING DURING 2021

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 and 10 November 2021 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 ("SSHHD") under the Ministry of Health, Malaysia, the Board has progressively updated shareholders on the latest milestones of the Pilot Project.

As previously disclosed in the unaudited condensed interim financial statements for 9M2021 announced on 10 November 2021, the pilot power module has been successfully installed at the pilot site. The pilot study of the power module (the "Pilot Study"), which will take approximately 3 months to complete, was initially scheduled to commence in July 2020. The Pilot Study had been inadvertently affected by delays in the testing and commissioning ("T&C") of the pilot power module, which required both our in-house technical team from Singapore and the Chinese technicians from our manufacturer to be present on-site in order to perform the T&C. Due to the COVID-19 situation, foreign nationals have been banned from travelling into Malaysia. Similarly, our Kuching-based project team also faced travel restrictions due to inter-district restrictions imposed. As a result, the project team has sought alternative arrangements to overcome the situation by engaging and working with local engineers to perform the T&C under remote guidance. This new arrangement is time consuming as the local engineer would have been trained and guided remotely via video calls.

Although the Company had planned to commence the Pilot Study in full scale around the second half of FY2021, the timeline was affected as a result of government measures in response to the highly fluid COVID-19 situation in Malaysia. To overcome these challenges, the Group's technical team had resolved to ship certain components back to Singapore for upgrading and modifications works to include remote control and monitoring functions. These added functions would enable the power module at the pilot site to be controlled and monitored remotely from Singapore. However, due to the shipment delays arising from COVID-19 and custom clearance, these components were only received sometime in September 2021 and the upgrading and modification works on these components commenced immediately thereafter.

By way of an update, the Company had completed and shipped the upgraded components back to the pilot site around mid-December 2021 to prepare for the commencement of the Pilot Study in full scale. The Company has been engaging with various stakeholders to set an official commencement date, subject to local weather and road conditions, for the local operator training and the full scale Pilot Study thereafter.

Non-Binding Memorandum of Understanding with Perbadanan Kemajuan Negeri Perak

The Group had, on 18 June 2019, entered into the following non-binding Memorandum of Understanding ("MOUs") with Perbadanan Kemajuan Negeri Perak ("PKNP"):

- (a) a tripartite MOU between PKNP, Majuperak Holdings Berhad ("MHB") and Cahya Suria Energy Sdn. Bhd ("CSE"), a wholly-owned subsidiary of the Company (the "CSE MOU"); and
- (b) a MOU between PKNP and P.J. Services Pte. Ltd. ("PJS"), a wholly-owned subsidiary of the Company (the "PJS MOU").

PKNP is the state economic development corporation entrusted to spearhead the economic development and socio-economic growth in the State of Perak. PKNP also has access to supplies of mining sand, granite, granite aggregates, minerals and other natural resources from Perak (the "Products").

MHB is an investment holding company listed on the Main Board of Bursa Malaysia and plays a leading role in property development focusing on the housing sector and realty business within the bigger PKNP Group. PKNP is also the largest shareholder in MHB. MHB has also diversified its business into the renewable energy sector.

The purpose of the CSE MOU is for the parties to collaborate on the development of 'Large Scale Solar Photovoltaic' Projects ("LSS Projects") in the State of Perak. For the purpose of implementing the co-operation under the CSE MOU, the parties may enter into legally binding definitive agreement(s), subject to terms and conditions to be mutually agreed upon by the parties.

Under the PJS MOU, PKNP shall endeavour to enter into supply contracts (the "Supply Contract(s)") with PJS and its customers (the "Customers"), under which PKNP shall source for and supply the Products to the Customers, subject to terms and conditions to be mutually agreed upon by the parties.

On 3 June 2020, CSE and Majuperak Energy Resources Sdn. Bhd. ("MERSB"), a wholly-owned subsidiary of MHB, had entered into a framework agreement to collaborate on the development of Large Scale Solar Photovoltaic projects in the State of Perak (the "Framework Agreement"). However, as the conditions precedent set out in the Framework Agreement had not been satisfied or waived by both parties by the agreed expiry date of 3 June 2021 (the "Expiry Date"), and having received MERSB's confirmation that it did not intend to extend the Expiry Date and agreed to mutually terminate the Framework Agreement with effect from the Expiry Date, the Framework Agreement has since terminated on 3 June 2021 in accordance with its terms.

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:-

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- (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 2021 (cont'd)

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\$1,106,446 (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 pages 18-19 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. As a result, the sale of the Purchaser's assets has been inadvertently delayed although the parties are working towards completion expeditiously. Notwithstanding the above, the Company is continuing its engagement with Ms Chong Shin Mun towards recovering the outstanding amounts, including, *inter alia*, obtaining regular updates on the proposed sale of these assets.

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MATTERS ARISING DURING 2021 (cont'd)

Subscription of Shares in H2 Energy Sdn. Bhd. by the Majority Shareholder

On 30 December 2018, the Company had entered into a conditional subscription agreement with its then associate company, H2 Energy Sdn. Bhd. (formerly known as HT Energy (S) Sdn. Bhd.) ("H2E"), for the subscription of up to 1,000,000 redeemable convertible non-cumulative preference shares in H2E.

Pursuant to a letter of undertaking provided by Muhammad Hatta Bin Sukarni (the "Majority Shareholder") to H2E and the Company on 18 March 2019 (the "Letter of Undertaking"), the Majority Shareholder had undertaken, *inter alia*:

- (a) to subscribe for 301,837 ordinary shares at RM1.00 each in the capital of H2E (the "Subscription Shares") for a total subscription price of RM301,837 (the "Subscription Price"); and
- (b) the Subscription Shares shall be fully subscribed, and the Subscription Price shall be paid by the Majority Shareholder to H2E in cash, on or before 31 December 2019 (the "Original Subscription Date").

As disclosed in the Company's announcement dated 6 January 2020, RM271,837 of the Subscription Price remained outstanding (the "Outstanding Subscription Price") from the Majority Shareholder as at the date of such announcement. The Company then entered into a supplemental letter agreement with the Majority Shareholder (the "Supplemental Letter") under which H2E and the Company agreed, *inter alia*, to extend the Original Subscription Date to 31 March 2020 (the "Extended Subscription Date"). The Majority Shareholder agreed to pay interest on the Outstanding Subscription Price from time to time outstanding for the period beginning on the day following the Original Subscription Date (i.e. 1 January 2020) and ending on the date H2E receives it, at a rate of 6% per annum, accruing on a daily basis. Interest accrued shall be immediately payable by the Majority Shareholder on demand by H2E, but:

- (a) if not previously demanded, shall be paid on the Extended Subscription Date together with the unpaid balance of the Outstanding Subscription Price; and
- (b) interest not paid when due may be added to the unpaid balance of the Outstanding Subscription Price and shall thereafter bear interest at the same rate.

On 31 March 2020, the Company and H2E had entered into a second supplemental letter agreement with the Majority Shareholder under which H2E and the Company agreed, *inter alia*, to further extend the Extended Subscription Date to 31 May 2020.

On 31 May 2020, the Majority Shareholder had informed the Company that he would require a further 4-5 months to fully settle the Outstanding Subscription Price. As at the date of this announcement, although the Majority Shareholder has been continually providing advances to H2E for its operations, he has yet to fully provide for the Outstanding Subscription Price which amounts to RM101,443 (i.e. 34% of the Subscription Price).

As at the date of this announcement, the Company has considered the Majority Shareholder's continuous efforts and his integral and key role in driving the business of H2E, as well as his good faith and commitment in meeting his obligations under the Letter of Undertaking. The Company also recognises that the impact of COVID-19 has affected local and global economies which in turn has affected the Majority Shareholder's ability to meet his obligations. After due deliberation, the Company has taken the view to allow the Majority Shareholder further time to complete the settlement of the Outstanding Subscription Price.

Term Sheet Between H2 Energy Sdn. Bhd. and H2U Power Tech Pty Ltd

The Company's subsidiary, H2E, had on 8 March 2021 entered into a binding term sheet with H2U Power Tech Pty Ltd, a company incorporated in Australia ("H2U Power" or the "Licensee"). Under the term sheet, H2E had agreed to grant the Licensee a perpetual (subject to termination for breach), sole, non-sublicensable license under the Licensed Know-how (as defined in the Company's 8 March 2021 announcement) to assemble, install, distribute, market and sell the Solar H-2 Power System ("SH2PS") worldwide, save for certain excluded territories.

In consideration for the rights granted by H2E under the term sheet (and the definitive licensing agreement to be entered into) but subject to the occurrence of certain events as set out in the 8 March 2021 announcement, the Licensee is to pay or otherwise provide H2E with an aggregate cash consideration of A\$1,000,000 and such number of immediately tradeable, unrestricted shares of the potential listing vehicle of the Licensee worth A\$1,000,000. The Licensee shall further pay to H2E royalties of 1.5% on the gross revenue of the SH2PS that are (a) sold by the Licensee; (b) lent, leased, let on hire or sold on hire purchase by the Licensee; (c) supplied by the Licensee to any person; or (d) put into use by the Licensee in any way. The potential financial effect of the term sheet, particularly on the royalties payable by the Licensee to H2E cannot be reasonably estimated, as it is subject to the definitive licensing agreement to be entered into by the parties.

On 11 March 2021, the Company received the Initial Payment of A\$50,000 cash consideration from the Licensee.

On 16 December 2021, the Company and the Licensee have mutually terminated the Term Sheet following the execution of the Framework Agreement between H2E and Hydro X (further details of which are provided below).

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- (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 2021 (cont'd)

Framework Agreement Between H2 Energy Sdn Bhd and Hydro X Gen Pty Ltd

On 16 December 2021, H2E entered into a binding framework agreement (the "**Framework Agreement**") with the sister company of H2U Power Tech Pty Ltd, Hydro X Gen Pty Ltd ("**Hydro X**").

Pursuant to the Framework Agreement, H2E has agreed to grant Hydro X a perpetual, sole exclusive license under the Licensed Know-how (as defined in the Company's 16 December 2021 announcement) to assemble, install, distribute, market and sell, the Solar H-2 Power System worldwide, save for certain excluded territories which include MENA countries, Africa, South East Asian countries, United Kingdom, Portugal and Spain. For further details on the Framework Agreement, please refer to the Company's announcement dated 16 December 2021.

Increase in Shareholding Interest and Change of Company Name of Renosun International Sdn. Bhd.

The Company had, on 24 May 2021, increased its shareholding interest in its indirect subsidiary, Renosun International Sdn. Bhd. ("**Renosun**") from 51% to 100%, following an acquisition by Cahya Suria Energy Sdn. Bhd. ("**CSE**"), a wholly-owned subsidiary of the Company, of 4,900 ordinary shares representing the remaining 49% shareholding in Renosun (the "**Acquisition**") held by Renosun (KL) Sdn. Bhd (the "**Seller**"). The consideration payable by CSE in cash in connection with the Acquisition was RM4,900 (equivalent to S\$1,575, based on the Prevailing Exchange Rate) and was paid to the Seller on 24 May 2021. Following the Acquisition, Renosun has become a wholly owned subsidiary of the Company.

On 16 June 2021, the Company also announced that the name of Renosun International Sdn. Bhd. has been changed to "Cahya Suria Services Sdn. Bhd."

Change of Company Name of HT Energy (S) Sdn Bhd

With effect from 5 July 2021, the name of the Company's subsidiary, HT Energy (S) Sdn. Bhd. has been changed to "H2 Energy Sdn. Bhd." ("**H2E**"). H2E's principal activities are to build, construct, assemble, install, commission and operate power module systems.

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.