

## ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198304025N)

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**RESPONSE TO SGX-ST'S QUERIES IN RELATION TO:  
(A) RECEIPT OF WRIT OF SUMMONS; AND  
(B) SUBSCRIPTION OF REDEEMABLE CONVERTIBLE NON-CUMULATIVE PREFERENCE  
SHARES IN HT ENERGY (S) SDN. BHD. – APPOINTMENT OF ADNAN BIN MANSOR AS  
DIRECTOR OF HT ENERGY (S) SDN. BHD**

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### 1. RESPONSE TO SGX-ST'S QUERIES IN RELATION TO RECEIPT OF WRIT OF SUMMONS

#### 1.1 Introduction

The board of directors (the "**Board**") of Annica Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement dated 13 June 2019 in relation to the Receipt of Writ of Summons (the "**Writ of Summons Announcement**").

All capitalised terms used and not defined herein shall have the same meanings given to them in the Writ of Summons Announcement.

The Company has received queries from SGX-ST on 14 June 2019 and 27 June and is providing its responses to these queries in this announcement.

#### 1.2 SGX-ST's Query 1:

*"It was announced on SGXNet that Mr. Sugiarto was appointed as Annica's Chairman and ED from 24 Jun 2009 to 6 Jan 2019. Thereafter, it was announced on SGXNet that he was appointed as COO from 6 Jan 2016.*

*In the 13 Jun 2019 announcement, it was stated that Mr. Sugiarto is claiming for S\$416,784.25 in relation to unpaid wages, medical expenses claims and a payment in consideration for a non-compete undertaking arising out of his cessation of employment allegedly due and payable by the Company to Mr. Sugiarto pursuant to an employment agreement dated 1 Jan 2016.*

*Please clarify when did Mr. Sugiarto cease his employment? Was it announced on SGXNet?"*

#### **Company's Response:**

Mr. Edwin Sugiarto ("**Mr. Sugiarto**") was appointed as the Company's Chairman and Executive Director on 24 June 2009. Mr. Sugiarto subsequently relinquished these positions on 6 January 2016.

In the interest of business continuity, the Board, having reviewed and considered Mr. Sugiarto's track record, work experience and contributions, invited Mr. Sugiarto to continue his services to the Company in the capacity of the Chief Operating Officer ("**COO**") of the Company. Upon recommendation by the Nominating Committee and with the Board's approval, Mr. Sugiarto

accepted the appointment and assumed the position as the Company's COO on 6 January 2016.

On 23 December 2016, as a result of the Group's restructuring and streamlining exercise, Mr. Sugiarto was removed as the COO of the Company and was re-designated as the Operations Director of Industrial Engineering Systems Pte Ltd ("**IES**"), a wholly owned subsidiary of the Company, which was not a key personnel position within the Group. The re-designation of Mr Sugiarto was announced on the same day.

On 30 November 2018, Mr. Sugiarto tendered his resignation to IES, commencing his one (1) month's contractual notice period on 1 December 2018. As such, the effective date of termination was 31 December 2018. The completion of the notice period served by Mr, Sugiarto coincided with the expiry date of his service agreement which would have expired on 31 December 2018.

The cessation of Mr. Sugiarto's employment was not announced on SGXNet as he was no longer considered as a key personnel of the Group.

### **1.3 SGX-ST's Query 2:**

*"AC please confirm that the Group can continue as a going concern at this moment given the writ of summons and receivable due from sale of GPE which are due to be received only after some time."*

#### **Company's Response:**

The review of the cash flow forecasts of the Group and of the Company for the financial year ending 31 December 2019 showed that the Group and the Company have adequate resources and will be able to generate sufficient cash flows in the next 12 months to meet their financial obligations as and when they fall due taking into consideration:

- (i) improvement in the general operating environment for the Group activities which are expected to generate positive cash flows for the Group and the Company;
- (ii) the Group's business segments in the renewable sector which are expected to register their maiden contributions; and
- (iii) the Company targets to raise proceeds from the allotment and issuance of shares under an option agreement to Mr. Lim In Chong ("**Mr. Lim**") or to his designated investors and/or nominees.

In view of the above, the AC confirms that the Group has sufficient working capital to meet its present requirements for the next 12 months.

### **1.4 SGX-ST's Query 3:**

*"In response to query no. 2, it says that the review of the cash flow forecasts of the Group and of the Company for the financial year ending 31 December 2019 showed that the Group and the Company have adequate resources and will be able to generate sufficient cash flows in the next 12 months to meet their financial obligations as and when they fall due taking into consideration:*

- i. improvement in the general operating environment for the Group activities which are expected to generate positive cash flows for the Group and the Company;*

- ii. *the Group's business segments in the renewable sector which are expected to register their maiden contributions; and*
- iii. *the Company targets to raise proceeds from the allotment and issuance of shares under an option agreement to Mr. Lim In Chong ("Mr. Lim") or to his designated investors and/or nominees.*

*We have the following questions:*

*Please quantify and provide the key assumptions for each of the (i) to (iii) above assumptions wherein the cash flow forecasts depict that the Group and the Company have adequate resources and will be able to generate sufficient cash flows in the next 12 months to meet their financial obligations."*

**Company's Response:**

- (i) Our estimates on the Group revenues for the current financial year have been derived using the expected return method, where weightages representing the possibility of success were assigned to selected projects which the Group had interest in participating. Although the Company has observed an improvement in operating environment for its business activities, we are not able to provide unequivocal quantification on our estimated revenues for the remaining period of the current financial year, as the business environment remains fluid and dynamic. The Company will continually review and assess our estimates for the current financial year based on the first half results ending 30 June 2019.
- (ii) Similar to (i) above, the anticipated revenues for the current financial year had been derived using the expected return method, where weightage representing the possibility of success were assigned to selected projects that the Group had interest in participating, which include, inter alia, the Long Loyang Clinic. There is no guarantee that we will be awarded the Long Loyang Clinic project upon successful completion of the Pilot Study (Milestone M of the gantt chart as announced on 23 June 2019).
- (iii) The major shareholder Mr Lim In Chong who is also the Company's Non-Executive and Non-Independent Director through his designated investor (in this case, Shamsol Jeffri Bin Zainal Abidin) had recently exercised S\$500,000 value of options which has been included in our estimates in our cash flow assumptions. We also wish to inform the shareholders that Mr Lim still has an outstanding unexercised options valued at S\$4.5 million and he has indicated to the Company that he and/or his designated investors or nominees, shall exercise those options before the end of the expiry period or when the Company require further funding whichever applicable. Based on Mr Lim's current investment and interests in the Company, the Company remains confident of his continued support.

**2. RESPONSE TO SGX-ST'S QUERY IN RELATION TO SUBSCRIPTION OF REDEEMABLE CONVERTIBLE NON-CUMULATIVE PREFERENCE SHARES IN HT ENERGY (S) SDN. BHD. – APPOINTMENT OF ADNAN BIN MANSOR AS DIRECTOR OF HT ENERGY (S) SDN. BHD**

**2.1 Introduction**

The Board further refers to the Company's announcement dated 26 June 2019 in relation to Subscription of Redeemable Convertible Non-Cumulative Preference Shares ("RCNCPS") in HT Energy (S) Sdn. Bhd. ("HTES") – Appointment of Adnan Bin Mansor as Director of HTES (the "HTES Announcement").

All capitalised terms used and not defined herein shall have the same meanings given to them in the HTES Announcement. References to the “Associate” in paragraph 2.2 of this announcement mean HTES.

The Board wishes to provide further clarification to shareholders on the appointment of Adnan Bin Mansor as Director of HTES based on SGX-ST’s query to the Company on 27 June 2019.

## **2.2 SGX-ST’s Query:**

*“Additionally, noted that the Company had announced on 26 Jun 2019 that Adnan Bin Mansor is appointed as director of the Associate, and accordingly, the Company now have control over the financial and operating policies of the Associate and will be consolidating the financial results of the Associate as part of its Group.*

*What are the reasons for appointing Adnan Bin Mansor as a director of the Associate?”*

### **Company’s Response:**

HTES has recently stepped up its efforts to secure new businesses that has led to, inter alia, invitations for joint tenders and requests for proposal for governmental projects in Sarawak. Furthermore, since end Q1 2019, the Company has been actively supporting HTES in their abovementioned efforts through the supply of technical input. In view of the increasing prospects of HTES, the Company had decided that it was timely for the Company to take a more active role in HTES leading to the appointment of Mr Adnan as the Corporate Representative and Director of HTES.

## **3. CAUTION IN TRADING**

Shareholders are advised to exercise caution when dealing in the Company’s securities. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

4 July 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Continuing Sponsor, Stamford Corporate Services Pte. Ltd.*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.*

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