ANNICA HOLDINGS LIMITED

Unaudited Financial Statements And Dividend Announcement For The Financial Year Ended 31 December 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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*For the purpose of this announcement, **FY2017** refers to the full financial year ended 31 December 2017 whereas **FY2016** refers to the corresponding full financial year ended 31 December 2016.*

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group		
	FY2017 $'000	**FY2016 $'000**	**Increase/ (Decrease) %**
Continuing Operations			
Revenue	15,384	19,386	(21)
Cost of sales	(12,259)	(16,366)	(25)
Gross profit	3,125	3,020	3
Other income	752	67	NM
Selling and distribution expenses	(304)	(589)	(48)
Administrative and general expenses	(3,991)	(4,502)	(11)
Other expenses	(404)	(1,627)	(75)
Finance costs	(346)	(425)	(19)
Loss before income tax	(1,168)	(4,056)	(71)
Income tax expense	(205)	(35)	NM
Loss from continuing operations, net of tax	(1,373)	(4,091)	(66)
Discontinued Operations			
Loss from discontinued operations, net of tax	-	(4,127)	NM
Loss for the year	(1,373)	(8,218)	(83)
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	77	(30)	NM
Reclassification of currency translation differences from equity on disposal of subsidiaries to profit and loss	-	(3)	NM
Other comprehensive loss, net of tax	77	(33)	NM
Total comprehensive loss for the year	(1,296)	(8,251)	(84)

1(a)(i) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period. (Cont'd)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group		
	FY2017 $'000	**FY2016 $'000**	**Increase/ (Decrease) %**
Total profit/(loss) attributable to:			
- equity holders of the Company	(1,425)	(7,941)	(82)
- non-controlling interests	52	(277)	NM
	(1,373)	(8,218)	(83)
Total loss attributable to equity holders of the Company:			
- from continuing operations	(1,425)	(4,125)	(65)
- from discontinued operations	-	(3,816)	NM
	(1,425)	(7,941)	(82)
Total profit/(loss) attributable to non-controlling interest:			
- from continuing operations	52	34	53
- from discontinued operations	-	(311)	NM
	52	(277)	NM
Total comprehensive profit/(loss) attributable to:			
- equity holders of the Company	(1,373)	(7,955)	(83)
- non-controlling interests	77	(296)	NM
	(1,296)	(8,251)	(84)
Total comprehensive loss attributable to equity holders of the Company:			
- from continuing operations	(1,373)	(4,076)	(66)
- from discontinued operations	-	(3,879)	NM
	(1,373)	(7,955)	(83)
Total comprehensive profit/(loss) attributable to non-controlling interest:			
- from continuing operations	77	15	NM
- from discontinued operations	-	(311)	NM
	77	(296)	NM

NM: Not meaningful

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

<u>Loss from continuing operations</u>

	Group		
	FY2017 $'000	**FY2016 $'000**	**Increase/ (Decrease) %**
Interest income on loan to associate	(1)	-	NM
Interest income from bank and deposits	(5)	(4)	25
Interest expense on borrowings	240	334	(28)
Interest expense on redeemable convertible bonds	106	91	16
Foreign currency exchange loss	202	126	60
Impairment loss on available-for-sale financial assets	1	7	(86)
Fair value loss on financial assets, at fair value through profit or loss	16	110	(85)
Gain on discounting of long-term trade receivables	(15)	(4)	NM
Write down of inventories	30	321	(91)
Depreciation of property, plant and equipment	222	238	(7)
Allowance for impairment of doubtful trade receivables	128	763	(83)
Write-back of allowance for impairment of doubtful other receivables	-	(58)	NM
Impairment loss on amount due from a former subsidiary	-	332	NM
Fair value adjustment on redeemable convertible bonds	(67)	24	NM
Overprovision of income tax	-	(64)	NM
Gain on sale of non-current assets held for sale	(616)	-	NM
Write-back of impairment loss in amount due from a former subsidiary	(4)	-	NM
Allowance on impairment of equipment held for sale	27	-	NM

NM: Not meaningful

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

Loss from discontinued operations

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

	Group		
	FY2017 $'000	**FY2016 $'000**	**Increase/ (Decrease) %**
Revenue	-	1,724	NM
Net expenses	-	(2,443)	NM
Loss on disposal of subsidiaries	-	(3,408)	NM
Loss before taxation	-	(4,127)	NM
Income tax expenses	-	-	NM
Loss from discontinued operations	**-**	**(4,127)**	**NM**

NM: Not meaningful

Loss from discontinued operations is arrived at after charging the following:

	Group		
	FY2017 $'000	**FY2016 $'000**	**Increase/ (Decrease) %**
Amortisation of intangible assets	-	2	NM
Interest expense on borrowings	-	3	NM
Foreign currency exchange loss	-	23	NM
Depreciation of property, plant and equipment	-	24	NM

NM: Not meaningful

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Group		Company	
	As at FY2017 $'000	**As at FY2016 $'000**	**As at FY2017 $'000**	**As at FY2016 $'000**
ASSETS				
Current assets:				
Cash and bank balances	2,905	2,144	1,082	358
Fixed deposits	271	280	-	-
Trade and other receivables	6,763	8,045	1,162	2,409
Inventories	226	401	-	-
Financial assets, at fair value through profit or loss	21	37	21	37
	10,186	10,907	2,265	2,804
Non-current assets held for sale	-	2,274	-	2,274
	10,186	13,181	2,265	5,078
Non-current assets:				
Trade and other receivables	15	66	2,534	1,134
Investments in subsidiaries	-	-	4,473	4,470
Investment in an associated company	-*	-	-	-
Available-for-sale financial assets	1	2	-	-
Property, plant and equipment	1,592	1,211	79	64
Intangible assets	1,020	1,020	-	-
Deferred tax assets	2	4	-	-
	2,630	2,303	7,086	5,668
Total assets	**12,816**	**15,484**	**9,351**	**10,746**
LIABILITIES				
Current liabilities:				
Trade and other payables	3,416	5,863	1,583	2,465
Borrowings	318	520	232	514
Current income tax liabilities	262	163	-	-
	3,996	6,546	1,815	2,979
Non-current liabilities:				
Borrowings	4,106	3,364	3,678	3,282
Deferred income tax liabilities	115	80	-	-
	4,221	3,444	3,678	3,282
Total liabilities	**8,217**	**9,990**	**5,493**	**6,261**
Net assets	**4,599**	**5,494**	**3,858**	**4,485**
EQUITY				
Share capital	63,274	62,924	63,274	62,924
Accumulated losses	(57,206)	(55,781)	(59,466)	(58,439)
Other reserves	(1,863)	(1,963)	50	-
Equity attributable to equity holders of the Company	4,205	5,180	3,858	4,485
Non-controlling interests	394	314	-	-
Total equity	**4,599**	**5,494**	**3,858**	**4,485**

*Amount is less than $1,000

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial period.

Amount repayable in one year or less, or on demand

As at FY2017		As at FY2016	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
87	231	6	514

Amount repayable after one year

As at FY2017		As at FY2016	
Secured	**Unsecured**	**Secured**	**Unsecured**
$'000	**$'000**	**$'000**	**$'000**
428	3,678	83	3,281

As at FY2017, the Group's secured borrowings were bank loans secured on the Group's leasehold properties and personal guarantees of certain directors of the subsidiaries. Included in the Group's unsecured borrowings as at FY2017 were loans from LionGold Corp Ltd (please refer to discussion under paragraph 8 on "Loan facility from LionGold Corp Ltd") and outstanding redeemable convertible bonds.

As at FY2016, the Group's secured borrowings were bank loans secured on the Group's leasehold properties and a personal guarantee of a director of one of the subsidiaries. Included in the Group's unsecured borrowings as at FY2016 were loans from LionGold Corp Ltd and outstanding redeemable convertible bonds.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group	
	FY2017 $'000	**FY2016 $'000**
Cash flows from operating activities:		
Loss from continuing operations	(1,168)	(4,056)
Loss from discontinued operations	-	(4,127)
Loss before income tax	(1,168)	(8,183)
Adjustments for:		
Depreciation of property, plant and equipment	222	262
Interest expenses	346	428
Interest income	(6)	(4)
Fair value loss on financial assets at fair value through profit or loss	16	110
Payment of tax penalty	59	-
Impairment loss on available-for-sale financial assets	1	7
Gain on sale of non-current assets held for sale	(616)	-
Amortisation of intangible assets	-	2
Gain on discounting of long-term trade receivables	(15)	(4)
Fees related to issuance of redeemable convertible bonds settled by way of issuance of Shares of the Company	-	300
Fair value adjustment on redeemable convertible bonds	(67)	24
Allowance for impairment of equipment held for sale	27	-
Loss on disposal of subsidiaries	-	3,408
Operating cash flow before working capital changes	**(1,201)**	**(3,650)**
Changes in working capital:		
Trade and other receivables and other current assets	1,267	(5,778)
Inventories	175	1,097
Trade and other payables	(1, 886)	4,956
Currency translation difference	70	73
Cash used in operations	(1,575)	(3,302)
Income tax paid	(80)	(67)
Net cash used in operating activities	**(1,655)**	**(3,369)**
Cash flows from investing activities:		
Purchases of property, plant and equipment	(406)	(897)
Net proceeds from sale of non-current assets held for sale	2,890	-
Interest received	5	4
Net cash inflow from disposal of subsidiaries	-	340
Net cash outflow from acquisition of a subsidiary	-	(1,799)
Investment in an associated company	-*	-
Part settlement of promissory note on acquisition of non-controlling interest in a subsidiary	(100)	(60)
Net cash generated from/(used in) investing activities	**2,389**	**(2,412)**
Cash flows from financing activities:		
Net proceeds from issuance of redeemable convertible bonds	125	5,085
Loan from a third party	100	350
Receipt of share option application monies	50	-
Repayment of borrowings	(64)	(13)
Repayment of bank overdraft of a former subsidiary	(262)	-
(Release)/placement of deposit in cash margin account	(8)	426
Placement of fixed deposit pledged as security for banking facilities, net	-	(38)
Increase in borrowings	330	-
Interest paid	(240)	(8)
Contribution from non-controlling interest of a subsidiary acquired	1	-
Net cash generated from financing activities	**32**	**5,802**
Net increase in cash and cash equivalents	766	21
Cash and cash equivalents at beginning of the financial year	1,911	1,884
Effects of foreign currency translation on cash and cash equivalents	6	6
Cash and cash equivalents at end of the financial year	**2,683**	**1,911**
Cash and cash equivalents at end of the financial year were made up of:		
Cash and bank balances	2,905	2,144
Less: deposit placed in cash margin account	(222)	(233)
Less: bank overdraft	-	-
	2,683	**1,911**

*Amount is less than $1,000

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

Major non-cash items:

During FY2017, the Group acquired certain plant and equipment and a motor vehicle with a total carrying value of $181,000 by means of finance leases. The aggregate cash outflow on acquisition of property, plant and equipment amounted to $406,000.

During FY2016:

(i) the Group acquired the remaining non-controlling interest in a subsidiary from two vendors for a consideration of $660,000, out of which $500,000 was settled by way of issuance of 500,000,000 new Shares in the Company and $160,000 through promissory notes entered into with the two vendors. The Company paid $60,000 of the promissory notes during FY2016 and $100,000 in FY2017, respectively; and

(ii) the Group acquired an equipment with a carrying value of $150,000 from a former subsidiary and the consideration was offset against the amount owing by the former subsidiary to the Group.

Acquisition of subsidiaries

The Group incorporated the following subsidiaries during FY2017:

(a) Cahya Suria Energy Sdn. Bhd. ("**CSE**") was incorporated for a cash consideration of $3,000 (RM10,000), representing the Group's 100% interest in the total issued and paid up capital of CSE; and

(b) The Group holds 51% of the total issued and paid up capital of Renosun International Sdn. Bhd. ("**RI**") for a cash consideration of $1,500 (RM5,100). The non-controlling interests of RI paid $1,000 (RM4,900) for its 49% interests in RI.

The Group also incorporated a 49%-owned associated company called HT Energy (S) Sdn Bhd for a cash consideration of $15 (RM49).

The fair value of assets acquired and liabilities assumed arising from the acquisition of a subsidiary during FY2016 are as follows:

	Group FY2016 $'000
Net assets acquired	818
Goodwill	1,020
Purchase consideration	1,838
Less: cash and cash equivalents of a subsidiary acquired	(39)
Net cash outflow on acquisition	1,799

Disposal of subsidiaries

There was no disposal of subsidiaries in FY2017.

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

In FY2016, the effects of the disposal of subsidiaries on the cash flows of the Group are as follows:

	Group FY2016 $'000
Carrying amount of assets and liabilities disposed of:	
Cash and cash equivalents	35
Trade and other receivables	13,059
Property, plant and equipment	206
Intangible assets	14
Total assets	13,314
Trade and other payables	10,448
Borrowings	4,406
Total liabilities	14,854
Net liabilities derecognised	(1,540)
Non-controlling interests	4,951
Net assets disposed of	3,411
The aggregate of cash outflows arising from the disposal of subsidiaries were:	
Net assets disposed of (as above)	3,411
Reclassification of currency translation differences from equity on disposal of subsidiaries to profit and loss	(3)
	3,408
Loss on disposal of subsidiaries	(3,408)
Total sale consideration	-*
Less: cash and cash equivalents of subsidiaries disposed of	(35)
Add: bank overdraft of subsidiaries disposed of	375
Net cash inflow on disposal of subsidiaries	340

* Nominal amount of $2

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	------------------------------ Attributable to equity holders of the Company				-----------------------		
	Share capital $'000	**Capital reserve $'000**	**Translation reserve $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Group							
Balance as at 1 January 2017	62,924	(1,506)	(457)	(55,781)	5,180	314	5,494
Issuance of shares	350	-	-	-	350	-	350
Receipt of share option application monies	-	50	-	-	50	-	50
Contribution by non-controlling interest of a subsidiary acquired	-	-	-	-	-	1	1
Total loss for the year	-	-	-	(1,425)	(1,425)	52	(1,373)
Other comprehensive income:							
Currency translation differences arising from consolidation	-	-	50	-	50	27	77
	-	-	50	-	50	27	77
Total comprehensive loss	-	-	50	(1,425)	(1,375)	79	(1,296)
Balance as at 31 December 2017	**63,274**	**(1,456)**	**(407)**	**(57,206)**	**4,205**	**394**	**4,599**
Balance as at 1 January 2016	54,524	(1,389)	(443)	(47,840)	4,852	(4,080)	772
Issuance of shares	8,700	-	-	-	8,700	-	8,700
Share issue expenses	(300)	-	-	-	(300)	-	(300)
Total loss for the year	-	-	-	(7,941)	(7,941)	(277)	(8,218)
Other comprehensive loss:							
Currency translation differences arising from consolidation	-	-	(11)	-	(11)	(19)	(30)
Reclassification of currency translation differences from equity on disposal of subsidiaries to profit and loss	-	-	(3)	-	(3)	-	(3)
	-	-	(14)	-	(14)	(19)	(33)
Total comprehensive loss	-	-	(14)	(7,941)	(7,955)	(296)	(8,251)
Changes in ownership interests in subsidiaries:							
Disposal of subsidiaries	-	-	-	-	-	4,951	4,951
Acquisition of ownership interest in subsidiary	-	(117)	-	-	(117)	(543)	(660)
Acquisition of a subsidiary	-	-	-	-	-	282	282
	-	(117)	-	-	(117)	4,690	4,573
Balance as at 31 December 2016	**62,924**	**(1,506)**	**(457)**	**(55,781)**	**5,180**	**314**	**5,494**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period. (Cont'd)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Share capital $'000	Capital reserve $'000	Accumulated losses $'000	Total equity $'000
Company				
Balance as at 1 January 2017	62,924	-	(58,439)	4,485
Issuance of shares	350	-	-	350
Receipt of share option application monies	-	50	-	50
Total comprehensive loss	-	-	(1,027)	(1,027)
Balance as at 31 December 2017	**63,274**	**50**	**(59,466)**	**3,858**
Balance as at 1 January 2016	54,524	-	(54,068)	456
Issuance of shares	8,700	-	-	8,700
Share issue expenses	(300)	-	-	(300)
Total comprehensive loss	-	-	(4,371)	(4,371)
Balance as at 31 December 2016	**62,924**	**-**	**(58,439)**	**4,485**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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 period.

	Number of Shares '000	Share Capital $'000
As at 31 December 2016	11,728,456	62,924
Issuance of shares		
- converted from redeemable convertible bonds (Note (a))	411,764	350
As at 31 December 2017	**12,140,220**	**63,274**

No shares were issued by the Company subsequent to the financial year to the date of this announcement.

Notes:

(a) Details of shares converted from redeemable convertible bonds (the "**RCB Conversion Shares**"):

Date	Details	Number of Shares '000	Share Capital $'000
21 March 2017	RCB Conversion Shares issued at $0.00085 per RCB Conversion Share	411,764	350
Total RCB Conversion Shares issued during FY2017		**411,764**	**350**

Convertible Securities

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

RCB Conversion Shares:

	Number of Shares '000	Estimated Proceeds $'000
New RCB Conversion Shares to be allotted and issued upon conversion of redeemable convertible bonds issued as at FY2017, assuming conversion at the minimum conversion price of $0.00085 per RCB Conversion Share	882,353	750
New RCB Conversion Shares to be allotted and issued upon conversion of redeemable convertible bonds which have yet to be issued as at FY2017, assuming conversion at the minimum conversion price of $0.00085 per RCB Conversion Share	14,154,412	12,031
Total	**15,036,765**	**12,781**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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 period. (Cont'd)

Debt Conversion Shares:

	Number of Shares '000	**Estimated proceeds $'000**
New Debt Conversion Shares to be allotted and issued upon assignment and conversion of debts, which have yet to be issued as at FY2017, assuming conversion at the minimum conversion price of $0.001 per Debt Conversion Share	2,504,879	2,505
Total	**2,504,879**	**2,505**

Option Shares

Under an option agreement, the Company has issued transferable share options to an investor with such option carrying the right to subscribe for up to 5,000,000,000 option shares ("**Option Shares**") in the Company at a minimum exercise price of $0.001, of which the Company will raise an amount of up to $5,000,000. As at FY2017, the investor has not exercised any option.

Annica Performance Share Plan and the Annica Employee Share Option Scheme (collectively, the "**Schemes**")

The aggregate number of Shares that may be issued under the Schemes or any other share option or share scheme of the Company then in force shall not exceed 15% of the total number of issued Shares of the Company from time to time. The Company has not granted or issued any Shares under the Schemes as at FY2017.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at FY2017	**As at FY2016**
Total number of issued shares excluding treasury shares ('000)	12,140,220	11,728,456

The Company has no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

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

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

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

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 2016 except for the adoption of revised Financial Reporting Standards ("**FRS**") and Interpretations to FRS ("**INT FRS**") that are effective for annual periods beginning on or after 1 January 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the revised FRS and INT FRS as discussed in paragraph 4 are not expected to result in any significant changes to the Group's accounting policies and methods of computation.

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

	Group	
	FY2017	**FY2016**
Loss per share based on the weighted average number of shares on issue (in cents):		
- from continuing operations – basic and fully diluted (Note (a))	(0.01)	(0.06)
- from discontinued operations – basic and fully diluted (Note (b))	-	(0.05)
Total	(0.01)	(0.11)

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

Notes:

(a) Basic and fully diluted loss per Share from continuing operations for FY2017 were calculated by dividing the loss from continuing operations attributable to equity holders of the Company of $1,425,000 (FY2016: $4,125,000) by the weighted average number of Shares for FY2017 of 12,049,970,699 (FY2016: 7,258,154,845).

(b) The Group does not have discontinued operations during FY2017. Basic and fully diluted loss per Share from discontinued operations for FY2016 were calculated by dividing the loss from discontinued operations attributable to equity holders of the Company of $3,816,000 by the weighted average number of Shares for FY2016 of 7,258,154,845.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediately preceding financial period.

	Group		Company	
	FY2017	**FY2016**	**FY2017**	**FY2016**
Net asset value per ordinary share based on the issued share capital at the end of the year (in cents)	0.03	0.04	0.03	0.04

Net asset value per ordinary share of the Group as at FY2017 was calculated by dividing the Group's net asset value attributable to equity holders as at FY2017 of $4,205,000 (FY2016: $5,180,000) divided by the number of ordinary shares of the Company as at FY2017 of 12,140,220,497 (FY2016: 11,728,455,792).

Net asset value per ordinary share of the Company as at FY2017 was calculated by dividing the Company's net asset value attributable to equity holders as at FY2017 of $3,858,000 (FY2016: $4,485,000) divided by the number of ordinary shares of the Company as at FY2017 of 12,140,220,497 (FY2016: 11,728,455,792).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS

<u>Revenue and Gross Profit</u>

The Group posted revenue of $15,384,000 in FY2017, with the oil and gas equipment and energy segments contributing 51% and 49%, respectively, to the Group's revenue. There was a net decrease of $4,002,000 or 21% in the Group's revenue in FY2017 compared to that of $19,386,000 in FY2016. The oil and gas equipment segment had a stellar year, registering $7,795,000 in FY2017, a 59% gain from $4,881,000 in FY2016, but its performance was offset by the weaker contribution from the engineering segment, owing to the keen competition and sluggish market conditions faced by its major overseas customers which are in the oil and gas industry.

In FY2017, the Group reported gross margin of 20% in FY2017 which was an increase of 4% from 16% recorded in FY2016. Consequently, despite the decrease in overall revenue, the Group's gross profit increased by $105,000 from $3,020,000 in FY2016 to $3,125,000 in FY2017.

Geographically, the Group expanded its markets in the Asia Pacific region through its operations in Singapore, Malaysia, Indonesia, Thailand, Vietnam, Brunei and Myanmar. The Group recorded lower revenues across all its geographical segments, a decline of $2,328,000, $1,641,000 and $33,000 from $6,124,000, $12,952,000 and $310,000 in FY2016 to $3,796,000, $11,311,000 and $277,000 in FY2017 for Singapore, Malaysia and Indonesia respectively in FY2017.

The Group endeavours on being price-competitive in order to secure contracts and remain competitive in the markets that it operates in.

<u>Other income</u>

The gain on sale of one of the Group's leasehold properties completed during FY2017 contributed to the increase of $685,000 in other income from $67,000 in FY2016 to $752,000 in FY2017.

<u>Selling and distribution expenses</u>

The decrease in selling and distribution expenses in FY2017 of $285,000, from $589,000 in FY2016 to $304,000 in FY2017 was due to the lower revenue reported in FY2017. The Group had managed to reduce these expenses at approximately 2% of total revenue in FY2017 against 3% of total revenue in the preceding period.

<u>Administrative and general expenses</u>

The Group incurred administrative and general expenses of $3,991,000 in FY2017, which was a decrease of $511,000 from $4,502,000 reported in FY2016. The lower expenses was mainly due to higher professional fees incurred in FY2016 arising from corporate exercises and transactions undertaken by the Group in FY2016. The Group undertakes to continue closely monitoring of expenses by implementing cost-cutting measures and budget spending.

<u>Other expenses</u>

Other expenses of the Group decreased by $1,223,000 from $1,627,000 in FY2016 to $404,000 in FY2017. The higher other expenses in FY2016 arose as the management undertook a review of overdue debts and aged inventories, taking into consideration the prevailing market conditions and volatility in foreign currencies in the Asia Pacific region where the Group's trade customers are based, and made allowances and impairment loss adjustments on trade and other receivables and slow-moving inventories. In FY2017, these other expenses are mainly exchange loss due to weakening of Singapore currencies against the United States Dollars, allowance for doubtful trade and other receivables and fair value adjustments on investments in financial assets.

<u>Finance costs</u>

There was a decrease in finance costs of $79,000, from $425,000 in FY2016 to $346,000 in FY2017 mainly due to the assignment of part of an interest-bearing loan to an investor (which was subsequently converted to the Company's Shares) towards the end FY2016, offset by increase in interest expense on borrowings taken up in FY2017.

<u>Income tax</u>

The income tax expense arose from taxable profits of certain subsidiaries during FY2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

CONTINUING OPERATIONS (Cont'd)

Loss from continuing operations

The Group reported loss from continuing operations of $1,373,000 for FY2017, which was a decrease of $2,718,000 from $4,091,000 in FY2016. The lower loss arose mainly from gain on sale of one of the Group's leasehold property, lower impairment and allowance adjustments on trade and other receivables and inventories and decrease in selling and administrative expenses and finance expenses.

DISCONTINUED OPERATIONS

The Group's discontinued operations pertained to former subsidiaries which were disposed during FY2016.

FINANCIAL POSITION

Current assets

Current assets of the Group totalled $10,186,000 as at FY2017 which was a decrease of $2,995,000 from $13,181,000 as at FY2016, primarily due to the completion of the sale of one of the Group's leasehold properties (classified as non-current assets held for sale as at FY2016) and decrease in trade and other receivables and inventories, partially offset by net increase in cash and bank balances. The investments in the financial assets, comprising listed equity securities and included as part of the Group's current assets, were stated at quoted market price as at the respective financial year.

Non-current assets

The Group's non-current assets increased by $327,000 from $2,303,000 as at FY2016 to $2,630,000 as at FY2017 due to the purchase of plant and equipment and a motor vehicle less depreciation charge. Included in the non-current assets were goodwill arising on acquisition of a subsidiary, GPE Power Systems (M) Sdn. Bhd ("**GPE**"), in FY2016 accounted for as intangible assets as well as leasehold properties, comprising two leasehold shop units in Malaysia, which are pledged as security for the Group's banking facilities.

Current liabilities

The Group reported current liabilities of $3,996,000 as at FY2017 which was a decrease of $2,550,000 from $6,546,000 as at FY2016 arising from lower trade and other payables.

Non-current liabilities

There was an increase in the Group's non-current liabilities of $777,000 from $3,444,000 as at FY2016 to $4,221,000 as at FY2017 due to borrowings and finance leases taken up and higher outstanding RCBs (as defined herewith) as at FY2017.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was $4,205,000 as at FY2017. This was a decrease of $975,000 from $5,180,000 as at FY2016 as a result of losses incurred by the Group, partially offset by share issuance, share option application monies received and changes in translation reserve during FY2017.

CASH FLOWS

The Group had cash and cash equivalents of $2,683,000 as at FY2017.

The Group reported a net cash inflow of $766,000 during FY2017 mainly due to net cash generated from investing and financing activities, partially offset by net cash used in operating activities.

Net cash used in operations arose from FY2017's operating losses and repayment of trade and other payables, partially offset by decrease in trade and other receivables and inventories.

During FY2017, the Group completed the sale of one of its leasehold properties which explained the increase in cash generated from investing activities net of purchase of plant and equipment and settlement of the Group's remaining obligations under a promissory note issued in FY2016 on the acquisition of the remaining interest in a subsidiary.

Net proceeds from the issuance of RCBs, net increase in borrowings and receipt of share option application monies, partially offset by repayment of a former subsidiary's bank overdraft, contributed to the net cash generated from financial activities of the Group in FY2017.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd).

MATTERS ARISING DURING 2017

Sale of the Company's property located at 38 Kallang Place Singapore 339166 (the "**Property**")

On 11 August 2017, the Company completed the sale of the Property for a consideration of $3,000,000.

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

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

The first tranche of the RCBs (the "**Tranche 1 RCBs**") comprises equal sub-tranches of $500,000 each, while the remaining three (3) tranches of the RCBs comprises equal sub-tranches of $1,000,000 each. The RCBs shall be issued in registered form in denominations of $50,000 each. The RCBs are convertible into Shares (the "**RCB Conversion Shares**"), which when issued, shall rank *pari passu* in all respects with all other existing Shares.

The issue price of the RCBs is 100% of the principal amount. The issue price of the RCB Conversion Shares (the "**RCB Conversion Price**") is determined by taking 85.0% of the average of the traded volume weighted average price (the "**VWAP**") per Share for any three (3) consecutive trading days determined at the sole and absolute discretion of the Subscriber, during the thirty (30) trading days immediately preceding the relevant date on which the RCBs were to be converted (the "**Average Price**"). On 18 September 2016, the Company entered into a supplemental agreement with the Subscriber (the "**Subscription Agreement Supplemental Agreement**"), pursuant to which it was agreed that, from 15 September 2016, the Conversion Price of each RCB shall not be less than 85.0% of the Average Price. The subscription and conversion of the RCBs shall be in accordance with the terms and conditions of the Subscription Agreement (as amended, supplemented and modified by the Subscription Agreement Supplemental Agreement).

Please refer to the Company's circular to the Shareholders dated 11 December 2015 (the "**RCB Circular**") for further details on the RCBs.

As at FY2017, the Company had issued the first to sixteenth sub-tranche of the Tranche 1 RCBs, with an aggregate principal amount of $8,000,000, to the Subscriber, out of which an aggregate amount of $7,250,000 had been converted into a total of 8,963,235,291 RCB Conversion Shares at RCB Conversion Price of between $0.0008 and $0.00085 per RCB Conversion Share. The principal amount of RCBs subscribed but yet to be converted into RCB Conversion Shares was $750,000 as at FY2017.

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

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

Notes:

(a) Funds used for the Group's general working capital were for payments to suppliers, refundable deposit paid to a supplier for purchase of inventories, capital expenditure and operating expenses including staff salaries and professional fees.

(b) This was paid in accordance with the Subscription Agreement. The percentage of RCB Proceeds is less than 1%.

The use of RCB Proceeds is consistent with the use of proceeds for the RCBs as disclosed in the RCB Circular.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)

MATTERS ARISING DURING 2017 (Cont'd)

Debt conversion and grant of options to an Investor

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

Subsequently, LionGold announced in 2015 that it had assigned the benefits under the LionGold Loan to Mr. Lim In Chong (the "**Investor**"). Pursuant to the deed of assignment between LionGold and the Investor (the "**Deed of Assignment**"), it provides that the LionGold Loan will be assigned in three (3) portions.

Separately, Shareholders approved a debt conversion agreement (the "**Debt Conversion Agreement**") and the option agreement (as amended, modified and supplemented by the option agreement supplemental deed) (the "**Option Agreement**') between the Company and the Investor. Under the Debt Conversion Agreement, the Company had agreed, for nominal consideration, to grant an option (the "**Debt Conversion Option**") to the Investor to convert the Assigned Debt (as defined herein) into Shares of the Company (the "**Debt Conversion Shares**") at a conversion price of $0.001 (the "**Debt Conversion Price**") per Debt Conversion Share, for an aggregate number of up to 3,504,878,770 Debt Conversion Shares upon the full exercise of the Debt Conversion Option. The exercisability of the Debt Conversion Option by the Investor is linked to the Deed of Assignment and the Investor will only be able to exercise the Debt Conversion Option in respect of such amount of the LionGold Loan which have been assigned by LionGold to the Investor at any point in time pursuant to the Deed of Assignment (the "**Assigned Debt**").

The Debt Conversion Option will be exercisable in whole or in part in tranches of $50,000 (convertible into 50,000,000 Debt Conversion Shares for each tranche exercised) at any time and upon the assignment of the respective proportions of the Assigned Debt as provided for in the Deed of Assignment.

The Debt Conversion Price and the number of Debt Conversion Shares will be adjusted proportionately in the event that the Company undertakes a stock split, reverse stock split, capitalisation issue, rights issue, capital reduction or distribution, such adjustment to be certified by auditors of the Company for the time being, acting as an independent expert.

Upon exercise of the Debt Conversion Option (whether in full or in part) by the Investor, that portion of the LionGold Loan shall be deemed to be fully repaid under the LionGold Loan and neither LionGold nor the Investor will have any claim whatsoever against the Company for the same.

The Debt Conversion Shares will, when allotted and issued pursuant to the Debt Conversion Option, be authorised, allotted, validly issued and credited as fully paid-up, be free from encumbrances, will be fully transferable and shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares including the right to receive dividends declared, made or paid, the books closure date of entitlement of which is on or after the date of issue of the Debt Conversion Shares, and shall not be subject to any pre-emptive right, rights of first refusal or other rights in favour of any other party to purchase or receive the same.

Pursuant to the Deed of Assignment, the Company had, on 5 December 2016, received notice of the assignment by LionGold of a portion of the Assigned Debt of $1,000,000 (the "**First Assigned Debt**") to the Investor. On 8 December 2016, following the receipt of notice from the Investor on his intention to exercise the Debt Conversion Option on the First Assigned Debt, the Company allotted and issued 1,000,000,000 Debt Conversion Shares at the Debt Conversion Price of $0.001 per Debt Conversion Share to the Investor in accordance with the Debt Conversion Agreement. As at FY2017 and the date of this announcement, 2,504,878,770 Debt Conversion Shares are available for issue upon assignment of the remaining Assigned Debt by LionGold and exercising of the Debt Conversion Option by the Investor.

Under the Option Agreement, the Company for a cash consideration of $50,000 it has received, granted the Investor an aggregate of 5,000,000,000 transferable share options ("**Options**", and each an "**Option**"), with each Option carrying the right to subscribe for one (1) new ordinary Share ("**Option Share**") at a minimum exercise price of $0.001 to raise an amount of up to $5,000,000 in aggregate (the "**Grant of Options**"). The Options shall be exercisable by April 2020 (which is within thirty-six (36) months after the issue of the Options) and the total value of each duly executed notice of exercise of Options shall not be less than $50,000. The Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotments, distributions or entitlements, the record date of which falls on or prior to the date of allotment of the Option Shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)

MATTERS ARISING DURING 2017 (Cont'd)

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

The Debt Conversion Option will extinguish the LionGold Loan owed by the Company and reduce the Company's debt burden. The Investor is also a strategic investor in the Company and the Company believes that the Investor has and will continue to make contributions to the Group. The Grant of Options and issuance of the Option Shares is also to align the interests of the Investor with those of the Company as well as motivate the Investor generally to contribute towards the Group's long-term prosperity.

Please refer to the Company's circular dated 12 July 2016 for further details on the Debt Conversion Option and Grant of Options.

Acquisitions of subsidiaries and an associated company

*(a) HT Energy (S) Sdn Bhd ("**HTES**")*

On 18 April 2017, the Company completed the acquisition of 49% of the shareholding interests in HTES for a cash consideration of $15 (RM49). HTES, a company incorporated in Malaysia, the principal activities are to build, construct, assembly, install, commission and operate power module systems. The other shareholder who holds 51% shareholding interest in HTES is Mr. Muhammad Hatta Bin Sukarni, a Malaysian who has more than 20 years of business and entrepreneurial experience.

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

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

While the parties have not entered into any definitive agreement in relation to the subject matter under the MOU, including the Pilot Project, HTES continues to implement the Pilot Project at Klinik Long Loyang Marudi, Sarawak to evaluate the feasibility, time, cost and adverse events prior to a full-scale implementation of the project (the "**Pilot Project**").

At the end of FY2017, HTES was admitted as a member of the Alliance Rural Electrification (ARE) which is a global industry association that support all businesses along the value chain of renewable solution for rural electrification in developing and emerging countries.

HTES is the Group's associated company.

Please refer to the Company's announcements dated 18 April 2017 and 27 April 2017 for further details on the acquisition.

*(b) Cahya Suria Energy Sdn. Bhd. ("**CSE**")*

As part of the diversification of the business of the Group to include the recycling business, renewable energy business, green technology business and complementary technology business, the Company incorporated CSE, a wholly-owned subsidiary in Malaysia, for $3,000 (RM10,000), on 13 October 2017. CSE carries on the business of an investment and holding company for the Group's renewable energy business.

Subsequent to the incorporation of CSE, the Group underwent an internal restructuring exercise and on 24 October 2017, the Company transferred its 49% interest in HTES to CSE for a consideration of $15 (RM49). The initial consideration on the acquisition of HTES was paid by the Company when it acquired 49% of the total issued share capital of HTES.

CSE, through its two subsidiaries HTES and RI (see below) shall be focussing its efforts primarily providing decentralized power solutions primarily through Solar Photovoltaic and Hydrogen Storage technology.

*(c) Renosun International Sdn Bhd. ("**RI**")*

On 9 November 2017, the CSE incorporated RI in Malaysia and paid $1,500 (RM5,100) for 51% of the total issued and paid up capital of RI. RI is mainly in the business of provision of designing, engineering, procurement, construction and commissioning of solar photovoltaic system.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)

MATTERS ARISING DURING 2017 (Cont'd)

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

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

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

The HGR Consideration shall be satisfied by:

(i) $2,600,000 through promissory notes repayable within six (6) months from the completion date (or such other later date as may be mutually agreed in writing between the Company the vendors), bearing an interest of 8% per annum; and

(ii) $1,600,000 by way of the allotment and issue to the vendors of newly paid up Shares of the Company ("the "**HGR Consideration Shares**") upon the completion date at $0.001 per HGR Consideration Shares.

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

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

OTHER MATTER

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

Further to the Company's announcements on 4 April 2014 and 29 April 2014 relating to the CAD's investigations, the CAD confirmed to the Company's external auditors on 14 February 2018 that its investigations are still ongoing.

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 FY2017 operating results were in line with the expectations as disclosed in the Company's FY2016 annual report and the FY2017 results announcement dated 14 August 2017.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Directors remain cautious in the near term as the South East Asian market, which the Group operates in and of which is dependent on the performance of the major world economies, is volatile. While recognising the challenges it faces given the prevailing tough economic conditions in the global markets, the Group had embarked on a strategic restructuring plan since FY2016 by streamlining its operations, reducing its reliance on business segments inextricably aligned to the vagaries of the oil and gas industry and kick-start its entry into the new recycling and renewable energy segment.

The Company targets to raise additional proceeds from the remaining of the first tranche of the RCBs in the next 12 months and together with the Debt Conversion Options to reduce the Group's overall debt gearing, the proceeds from the Option Shares to be subscribed by the strategic investor, provides the Group with additional liquidity to pursue viable and strategic investments. The Directors are of the view that the Group is in a position to allocate its resources more efficiently thereby strengthening the financial position and earnings base of the Group. The Directors constantly undertake continuous reviews of the Group's operating models, strategies and planning process to enable the Group to enhance its competitiveness and market presence and simultaneously focusing on strengthening the Group's fundamentals for sustainable growth in the long term. While the Directors are reasonably positive that these strategies can be achieved given time, nonetheless, they are subject to market conditions.

11. Dividend

(a) Current Financial Period Reported On
Any dividend declared/recommended for the current financial period reported on?
No ordinary dividend has been recommended or declared.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared/recommended for the corresponding period of the immediately preceding financial year?
No ordinary dividend was recommended or declared.

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable.

12. If no dividend has been declared /recommended, a statement to that effect.

No dividend has been recommended or declared for the current financial period.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or the Company during the financial year ended 31 December 2017.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Primary segment

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

	Singapore	Malaysia	Indonesia	Elimination	Continuing operations	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
For the financial year ended 31 December 2017							
Geographical segments by country of domicile							
Revenue:							
External sales	3,796	11,331	1,255	(998)	15,384	-	15,384
Inter-segment sales	-	(20)	(978)	998	-	-	-
Total revenue	3,796	11,311	277	-	15,384	-	15,384
Results:							
Segment results	(1,595)	707	(135)	195	(828)	-	(828)
Interest income	193	3	-	(190)	6	-	6
Interest expenses	(332)	(204)	-	190	(346)	-	(346)
(Loss)/profit before income tax	(1,734)	506	(135)	195	(1,168)	-	(1,168)
Income tax	-	(201)	(4)	-	(205)	-	(205)
(Loss)/profit for the financial year	(1,734)	305	(139)	195	(1,373)	-	(1,373)
Other information:							
Capital expenditure	77	487	3	-	567	-	567
Depreciation	71	149	2	-	222	-	222
Allowance for impairment of doubtful receivables					128	-	128
Fair value loss and loss on disposal of financial assets, at fair value through profit or loss					16	-	16
Fair value adjustment on redeemable convertible bonds					(67)	-	(67)
Impairment loss on available-for-sale financial assets					1	-	1
Allowance on impairment of equipment held for sale					27		27
					327	-	327

	Singapore	Malaysia	Indonesia	Elimination	Continuing operations	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets:							
Non-current assets	7,319	1,507	5	(6,201)	2,630	-	2,630
Other segment assets	5,369	6,319	646	(2,148)	10,186	-	10,186
Consolidated total assets					12,816	-	12,816
Liabilities:							
Segment liabilities	3,635	1,825	182	(2,226)	3,416	-	3,416
Borrowings	3,910	3,049	-	(2,535)	4,424	-	4,424
Current income tax liabilities	-	295	29	(62)	262	-	262
Deferred tax liabilities	-	93	22	-	115	-	115
Consolidated total liabilities					8,217	-	8,217

Revenue by geographical location of customers

	Singapore	Malaysia	Indonesia	Thailand	Vietnam	Brunei and Myanmar	Others	Continuing operations	Discontinued operations	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	171	11,326	1,255	1,543	66	980	43	15,384	-	15,384

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.(Cont'd)

Primary segment (Cont'd)

Analysis by Geographical Segments (Cont'd)

	Singapore $'000	Malaysia $'000	Indonesia $'000	Elimination $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
For the financial year ended 31 December 2016							
Geographical segments by country of domicile							
Revenue:							
External sales	5,979	13,086	793	(472)	19,386	1,724	21,110
Inter-segment sales	145	(134)	(483)	472	-	-	-
Total revenue	6,124	12,952	310	-	19,386	1,724	21,110
Results:							
Segment results	(5,563)	306	56	1,566	(3,635)	(4,124)	(7,759)
Interest income	121	4	-	(121)	4	-	4
Interest expenses	(445)	(101)	-	121	(425)	(3)	(428)
(Loss)/profit before income tax	(5,887)	209	56	1,566	(4,056)	(4,127)	(8,183)
Income tax	64	(90)	(11)	2	(35)	-	(35)
(Loss)/profit for the financial year	(5,823)	119	45	1,568	(4,091)	(4,127)	(8,218)
Other information:							
Capital expenditure	12	880	5	-	897	-	897
Depreciation	147	90	1	-	238	24	262
Allowance for impairment of doubtful receivables					763	-	763
Amortisation of intangible assets					-	2	2
Fair value loss and loss on disposal of financial assets, at fair value through profit or loss					110	-	110
Fair value adjustment on redeemable convertible bonds					24	-	24
Impairment loss on available-for-sale financial assets					7	-	7
					1,142	26	1,168

	Singapore $'000	Malaysia $'000	Indonesia $'000	Elimination $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
Assets:							
Non-current assets	1,096	1,131	4	-	2,231	-	2,231
Other segment assets	14,670	7,028	837	(9,282)	13,253	-	13,253
Consolidated total assets					15,484	-	15,484
Liabilities:							
Segment liabilities	4,740	3,499	184	(2,395)	6,028	-	6,028
Borrowings	3,631	2,281	-	(2,193)	3,719		3,719
Current income tax liabilities	14	180	30	(61)	163	-	163
Deferred tax liabilities	-	64	16	-	80	-	80
Consolidated total liabilities					9,990	-	9,990

Revenue by geographical location of customers

	Singapore $'000	Malaysia $'000	Indonesia $'000	Thailand $'000	Vietnam $'000	Brunei and Myanmar $'000	Others $'000	Continuing operations $'000	Discontinued operations $'000	Total $'000
Revenue	62	13,385	943	1,853	2,429	640	74	19,386	1,724	21,110

14. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (Cont'd)

Secondary segment

Analysis by Business Segments

In FY2017, the Group operates in four product segments – engineering services, oil and gas equipment, energy services, recycling and renewable energy and investments and others segment. The biomass projects segment was disposed in FY2016.

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

	Revenue		Segment assets		Capital additions	
	FY2017 $'000	FY2016 $'000	FY2017 $'000	FY2016 $'000	FY2017 $'000	FY2016 $'000
Continuing operations						
Engineering services	17	2,560	1,068	1,613	-	-
Oil and gas equipment	7,795	4,881	2,806	3,349	15	13
Energy services	7,572	11,945	6,279	6,221	475	880
Recycling and renewable energy	-	-	5	-	-	-
Investments and others	-	-	2,658	4,301	77	4
	15,384	19,386	12,816	15,484	567	897
Discontinued operations						
Biomass projects	-	1,724	-	-	-	-
	15,384	21,110	12,816	15,484	567	897

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

16. A breakdown of sales as follows:

	Group		
	FY2017 $'000	FY2016 $'000	Increase (Decrease) %
Continuing operations			
Revenue reported for first half year	9,009	7,126	26
Operating loss after tax before deducting non-controlling interest reported for first half year	(699)	(1,166)	(40)
Revenue reported for second half year	6,375	12,260	(48)
Operating loss after tax before deducting non-controlling interest reported for second half year	(674)	(2,925)	(77)
Discontinued operations			
Revenue reported for first half year	-	1,724	NM
Operating loss after tax before deducting non-controlling interest reported for first half year	-	(4,127)	NM
Revenue reported for second half year	-	-	NM
Operating loss after tax before deducting non-controlling interest reported for second half year	-	-	NM

NM: Not meaningful

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

(a) Ordinary: Not Applicable
(b) Preference: Not Applicable
(c) Total: Not Applicable

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officer in the format set out in Appendix 7H of the Catalist Rules.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

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

Other than the above, the Company confirms that there is no person occupying managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704 (10) of the Catalist Rules.

BY ORDER OF THE BOARD
ANNICA HOLDINGS LIMITED

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer
1 March 2018