

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

**RESPONSES TO SGX-ST'S QUERIES IN RELATION TO THE COMPANY'S
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company's announcement dated 10 November 2021 (the “**10 November Announcement**”) in relation to the Condensed Interim Financial Statements for the third quarter financial period ended 30 September 2021 (“**3Q FY2021**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the 10 November Announcement.

The Board wishes to inform shareholders that the Company has received queries from the SGX-ST on 16 November 2021 and is providing its responses to these queries in this announcement.

2. SGX-ST's Queries and Company's Responses

It is disclosed in the unaudited financial results that, the Company reported current trade and other receivables amounting to S\$4.897m which represented 450% of the Group's revenue of S\$1.09m for the period ended 30 Sep 2021 (3Q).

Please disclose:

2.1.1. SGX-ST's Query 1:

*The breakdown of the Group's trade and other receivables. Where the receivables balance relate to the disposal by the Company of its entire shareholding interest of 350,000 ordinary shares in the share capital of GPE Power Systems (M) Sdn. Bhd. (“**GPE**”) (representing 70.0% of GPE) to Chong Shin Mun (the “**Purchaser**”), please state so accordingly.*

Company's Response:

Please see below for the breakdown of the Group's trade and other receivables as at the date of the 10 November Announcement:

<u>Trade and other receivables</u>	<u>S\$'000</u>
Trade receivables	793 *
Other receivables:	
GPE	3,108
Advance billings from suppliers	507
The Purchaser	228
Others	261
	<u>4,104</u>
	<u>4,897</u>

* Please refer to paragraph 2.1.2 for further details on trade and other receivables and paragraph 2.1.3 for the aging breakdown

2.1.2. SGX-ST's Query 2:

The underlying transactions, the terms of the transactions (including the contract sum), terms of payment, and whether this was incurred in the ordinary course of business.

Company's Response:

Items	Description of underlying transactions, contract sum range, terms of payment, and whether these were in the ordinary course of business.
<u>Trade receivables</u>	The trade receivables were all incurred in the ordinary course of business with 19 customers, with the contract sum ranging from S\$3,000 to S\$1,607,000, and were generally granted with payment terms of 30-90 days.
<u>Other receivables:</u>	
GPE	Comprises the loan to GPE including interest accrued of S\$2,808,000 and management fee of S\$300,000.
Advance billings from suppliers	Upfront amount paid to 8 suppliers upon placing of orders arising from ordinary course of business with the contract sum ranging from S\$49,000 to S\$1,552,000.
The Purchaser	Arising from the disposal of GPE – outstanding Fourth Tranche Consideration
Others	Mainly comprises security deposits, prepayment, GST receivables and tax recoverable.

2.1.3. SGX-ST's Query 3:

The ageing profile of the Group's trade and other receivables/trade receivables in bands of 3 months.

Company's Response:

Please see below ageing profile of the Group's trade and other receivables in bands of 3 months:

Segment	Total Due S\$'000	Up to 3 months S\$'000	4 to 6 months S\$'000	7 to 9 months S\$'000	9 months and above S\$'000
<u>Trade receivables</u>					
Engineering services	226	-	-	-	226
Oil and gas equipment	565	379	171	11	4
Investments and others	2	-	-	-	2
	793	379	171	11	232
<u>Other receivables</u>					
Engineering services	36	12	-	-	24
Oil and gas equipment	548	548	-	-	-
Investments and others	3,520	247	69	68	3,136
	4,104	807	69	68	3,160
Grand Total	4,897	1,186	240	79	3,392

With regard to the trade receivables which have been due (i) between 4 to 6 months and (ii) 9 months and above of S\$171,000 and S\$232,000 respectively, S\$113,000 and S\$201,000 have been collected respectively as of the date of this announcement.

2.1.4. SGX-ST's Query 4:

Whether these outstanding amounts are owing to related parties. If yes, to provide details and quantify.

Company's Response:

None of the outstanding amounts in trade and other receivables are owing from related parties.

2.1.5. SGX-ST's Query 5:

Whether these debtors are related to any directors, key executives, substantial shareholders or their respective associates.

Company's Response:

None of the debtors are related to any directors, key executives, substantial shareholders or their respective associates.

2.1.6. SGX-ST's Query 6:

Whether these customers are still in operation.

Company's Response:

To the best of the Company's knowledge, all customers owing such trade receivables are still in operation.

2.1.7. SGX-ST's Query 7:

The Board's assessment on the recoverability of the Group's trade and other receivables/trade receivables, and the basis for such an assessment.

Company's Response:

The Board has assessed that the Group's trade and other receivables are recoverable as at the end of the reporting period. With regard to the Group's trade receivables which have been due for 4 months or more and which amounted to S\$414,000 as at the date of the 10 November Announcement, S\$314,000 has been collected as of the date of this announcement.

Most of the other receivables are due from GPE, a former subsidiary of the Group, and these amounted to S\$3.1m. As at 30 September 2021, the outstanding scheduled payments due from GPE amount to S\$3,108,000 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. The Company has been informed by the Purchaser that the sale of the Purchaser's assets is still ongoing, albeit delayed by the prevailing COVID-19 situation in Malaysia, and the Board had agreed to provide the Purchaser until December 2021 to conclude the sale of the Purchaser's assets as disclosed in the Company's 10 November Announcement. The Group is actively engaging with the debtors to recover the outstanding amounts due.

3. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that all or any of the abovementioned projects will be completed. The Company will make the necessary announcements when there are further developments on the above.

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

17 November 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.

*The contact person for the Sponsor is Mr Bernard Lui.
Tel: 6389 3000 Email: bernard.lui@morganlewis.com*