

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304025N)

VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Unaudited Full Year Financial Statements and Dividend Announcement (the “**Unaudited Financial Statements**”) for the financial year ended 31 December 2019 (“**FY2019**”) released by the Company on 28 February 2020.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Board wishes to announce that upon completion of the audit of the financial statements of the Group and of the Company for FY2019 by the Company’s independent auditor, Baker Tilly TFW LLP (the “**Audited Financial Statements**”), adjustments and reclassifications are made to the Audited Financial Statements and the details of which are as follows:

Statement of Financial Position as at 31 December 2019 GROUP	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
ASSETS				
Current assets				
Cash and cash equivalents	1,286	1,286	-	
Fixed deposits	324	324	-	
Trade and other receivables	4,542	4,542	-	
Inventories	275	275	-	
Financial assets at fair value through profit or loss	7	7	-	
	6,434	6,434	-	
Non-current assets				
Trade and other receivables	2,446	2,446	-	
Financial assets at fair value through profit or loss	2	2	-	
Right of use assets	378	161	217	(a)
Property, plant and equipment	223	440	(217)	(a)
Intangible assets	36	36	-	
	3,085	3,085	-	
Total assets	9,519	9,519	-	
LIABILITIES				
Current liabilities				
Trade and other payables	3,101	3,473	(224)	(b)
			(105)	(c)
			(45)	(d)
			2	*
Borrowings	727	599	128	(f)
Lease liabilities	-	128	(128)	(f)
Current income tax liabilities	37	38	(1)	*
Contract liabilities	868	644	224	(b)
	4,733	4,882	(149)	
Non-current liabilities				
Trade and other payables	171	-	45	(d)
			126	(e)
Borrowings	96	61	35	(g)
Deferred income tax liabilities	31	31	-	
Provision for employee benefits	105	-	105	(c)
Lease liabilities	-	35	(35)	(g)
	403	127	276	
Total liabilities	5,136	5,009	127	
Net assets	4,383	4,510	127	
EQUITY				
Share capital	67,801	67,801	-	
Accumulated losses	(61,698)	(61,572)	(126)	(e)
Other reserves	(1,780)	(1,779)	(1)	*
Equity attributable to equity holders of the Company	4,323	4,450	(127)	
Non-controlling interests	60	60	-	
Total equity	4,383	4,510	(127)	

*Rounding differences

Statement of Financial Position as at 31 December 2019 COMPANY	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
ASSETS				
Current assets				
Cash and cash equivalent	54	54	-	
Trade and other receivables	1,908	1,908	-	
Financial assets at fair value through profit or loss	7	7	-	
	1,969	1,969	-	
Non-current assets				
Trade and other receivables	2,611	2,611	-	
Investments in subsidiaries	2,151	2,151	-	
Financial assets at fair value through profit or loss	96	96	-	
Right-of-use assets	56	56	-	
Property, plant and equipment	20	20	-	
	4,934	4,934	-	
Total assets	6,903	6,903	-	
LIABILITIES				
Current liabilities				
Trade and other payables	1,750	1,795	(45)	(d)
Borrowings	844	791	53	(h)
Lease liabilities	-	53	(53)	(h)
	2,594	2,639	(45)	
Non-current liabilities				
Trade and other payables	171	-	45	(d)
			126	(e)
Borrowings	3	-	3	(i)
Lease liabilities	-	3	(3)	(i)
	174	3	171	
Total liabilities	2,768	2,642	126	
Net assets	4,135	4,261	126	
EQUITY				
Share capital	67,801	67,801	-	
Accumulated losses	(63,755)	(63,629)	(126)	(e)
Other reserves	89	89	-	
Total equity	4,135	4,261	(126)	

*Rounding differences

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 31 December 2019	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Continuing Operations				
Revenue	9,081	9,081	-	
Cost of sales	(5,542)	(5,542)	-	
Gross profit	3,539	3,539	-	
Interest income	205	205	-	
Other income	562	556	6	(j)
Selling and distribution expenses	(291)	(291)	-	
Administrative and general expenses	(3,973)	(3,973)	-	
Other expenses	(320)	(194)	(126)	(e)
Finance costs	(34)	(28)	(6)	(j)
Loss before income tax from continuing operations	(312)	(186)	(126)	
Income tax expense	(55)	(55)	-	
Loss from continuing operations, net of tax	(367)	(241)	(126)	
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising from consolidation	5	6	(1)	*
Reclassification of currency translation differences from equity on disposal of a subsidiary to profit or loss	-	-	-	
Other comprehensive income for the financial year, net of tax	5	6	(1)	
Total comprehensive loss for the financial year	(362)	(235)	(127)	

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 31 December 2019	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Total (loss)/profit attributable to:				
- Equity holders of the Company	(455)	(329)	(126)	
- Non-controlling interests	88	88	-	
	(367)	(241)	(126)	
(Loss)/profit attributable to:				
<i>Equity holders of the Company</i>				
- from continuing operations	(455)	(329)	(126)	
- from discontinued operation	-	-	-	
Loss for the financial year for the financial year attributable to equity holders of the Company	(455)	(329)	(126)	
<i>Non-controlling interest</i>				
- from continuing operations	88	88	-	
- from discontinued operation	-	-	-	
Profit for the financial year for the financial year attributable to non-controlling interest	88	88	-	
Total comprehensive (loss)/income attributable to:				
- Equity holders of the Company	(450)	(323)	(127)	
- Non-controlling interests	88	88	-	
	(362)	(235)	(127)	
Total comprehensive loss attributable to:				
<i>Equity holders of the Company</i>				
- from continuing operations	(450)	(323)	(127)	
- from discontinued operation	-	-	-	
Total comprehensive loss for the financial year attributable to equity holders of the Company	(450)	(323)	(127)	
<i>Non-controlling interest</i>				
- from continuing operations	88	88	-	
- from discontinued operation	-	-	-	
Total comprehensive income for the financial year attributable to non-controlling interests	88	88	-	

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2019	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Cash flows from operating activities				
Loss before income tax from continuing operations	(312)	(186)	(126)	
Adjustments for:				
Depreciation of property, plant and equipment	62	67	(5)	
Depreciation of right-of-use asset	260	256	4	
Fair value gain on redeemable convertible bonds	(28)	(22)	(6)	
Fair value loss on financial assets at fair value through profit or loss	1	1	-	
Gain on disposal of property, plant and equipment	(77)	(77)	-	
Interest on loans from holding company of a former corporate shareholder of Industrial Power Technology Pte Ltd ("IPT") waived	(268)	(268)	-	
Impairment loss on trade receivables	8	8	-	
Interest expense	34	28	6	
Interest income	(205)	(205)	-	
Provision for legal expenses	-	54	(54)	
ESOS expenses	39	39	-	
Operating cash flows before working capital changes	(486)	(305)	(181)	
Changes in working capital:				
Inventories	(191)	(191)	-	
Payables and contract liabilities	630	459	171	
Receivables	(103)	(103)	-	
Currency translation difference	26	24	2	
Cash used in operations	(124)	(116)	(8)	
Income tax paid	(142)	(150)	8	
Net cash used in operating activities	(266)	(266)	-	
Cash flows from investing activities				
Interest received	8	8	-	
Purchase of property, plant and equipment	(159)	(159)	-	
Proceeds from disposal of property, plant and equipment	77	77	-	
Net cash generated from investing activities	(74)	(74)	-	
Cash flows from financing activities				
Interest paid for term loan	(2)	(2)	-	
Interest paid for lease liabilities	(9)	-	(9)	
Release of deposit in cash margin account	133	133	-	
Placement of fixed deposit pledged	(48)	(48)	-	
Issuance of ordinary shares	500	500	-	
Loan from a third party	1	1	-	
Repayment of borrowings	(610)	(609)	(1)	
Repayment of lease liabilities	(253)	(263)	10	
Net cash used in financing activities	(288)	(288)	-	
Net decrease in cash and cash equivalents	(628)	(628)	-	
Cash and cash equivalents at beginning of the financial year	1,842	1,842	-	
Effects of foreign currency translation on cash and cash equivalents	(8)	(8)	-	
Cash and cash equivalents at end of the financial year	1,206	1,206	-	

*Rounding differences

Explanatory Notes:

- (a) Reclassification of "Right-of-use assets" of \$217,000 from "Non-current assets – Property, plant and equipment" to "Non-current assets – Right-of-use assets" in the Statement of Financial Position of the Group.
- (b) Reclassification of "Contract liabilities" of \$224,000 from "Current liabilities – Trade and other payables" to "Current liabilities - Contract liabilities" in the Statement of Financial Position of the Group.
- (c) Reclassification of "Provision for employee benefit" of \$105,000 from "Current liabilities - Trade and other payables" to "Non-current liabilities – Provision for employee benefit" in the Statement of Financial Position of the Group.
- (d) Reclassification of "Amount payable to former employee" of \$45,000 from "Current liabilities - Trade and other payables" to "Non-current liabilities - Trade and other payables" in the Statement of Financial Position of the Group and of the Company.
- (e) Adjustment of "Amount payable to former employee" of \$126,000. Amount payable to former employee was recognised in the Statement of Profit or Loss of the Group and of the Company and "Non-current liabilities - Trade and other payables" in the Statement of Financial Position of the Group and of the Company.
- (f) Reclassification of "Lease liabilities" of \$128,000 from "Current liabilities - Lease liabilities" to "Current liabilities - Borrowings" in the Statement of Financial Position of the Group.
- (g) Reclassification of "Lease liabilities" of \$35,000 from "Non-current liabilities - Lease liabilities" to "Non-current liabilities - Borrowings" in the Statement of Financial Position of the Group.
- (h) Reclassification of "Lease liabilities" of \$53,000 from "Current liabilities - Lease liabilities" to "Current liabilities - Borrowings" in the Statement of Financial Position of the Company.
- (i) Reclassification of "Lease liabilities" of \$3,000 from "Non-current liabilities - Lease liabilities" to "Non-current liabilities - Borrowings" in the Statement of Financial Position of the Company.
- (j) Reclassification of "Amortisation expenses of Redeemable Convertible Bonds" of \$6,000 from "Other Income" to "Finance Costs". Fair value gain on redeemable convertible bonds was recognised in the Statement of Profit or Loss and Other Comprehensive Income of the Group and of the Company.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

13 April 2020

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 "SGXST") 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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