

ANNICA HOLDINGS LIMITED

Condensed Interim Consolidated Financial Statements For The Second Quarter and Half Year Financial Period Ended 30 June 2022

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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For the purposes of this announcement, "2Q2022" refers to the three-month financial period ended 30 June 2022, whereas "2Q2021" refers to the corresponding three-month financial period ended 30 June 2021. "HY2022" refers to the six-month financial period ended 30 June 2022, whereas "HY2021" refers to the corresponding six-month financial period ended 30 June 2021. "FY2021" refers to the full financial year ended 31 December 2021.

The quarterly reporting of financial statements is mandatory for Annica Holdings Limited (the "Company") pursuant to Rule 705(2) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the "Catalist Rules"). The foregoing statement is made pursuant to Rule 705(2C) of the Catalyst Rules.

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR FINANCIAL PERIOD ENDED 30 JUNE 2022

	Note	Group					Increase/ (Decrease) %
		2Q2022 S\$'000	2Q2021 S\$'000	Increase/ (Decrease) %	HY2022 S\$'000	HY2021 S\$'000	
Revenue	4	1,383	3,020	(54)	2,386	3,849	(38)
Cost of sales		(898)	(2,212)	(59)	(1,521)	(2,849)	(47)
Gross profit		485	808	(40)	865	1,000	(14)
Other income		(8)	75	NM	165	296	(44)
Interest income		52	59	(12)	104	113	(8)
Selling and distribution expenses		(40)	(14)	NM	(117)	(27)	NM
Administrative and general expenses		(1,006)	(920)	9	(2,024)	(1,914)	6
Other expenses		(6)	(4)	50	(7)	(5)	40
Impairment losses on trade and other receivables		(4)	-	NM	(4)	-	NM
Finance costs		(99)	(10)	NM	(166)	(21)	NM
Loss before tax	6	(626)	(6)	NM	(1,184)	(558)	NM
Tax expense	7	(1)	(32)	(97)	(19)	(32)	(41)
Loss for the financial period		(627)	(38)	NM	(1,203)	(590)	NM
Other comprehensive loss							
<i>Items that are or may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising on consolidation		(51)	(57)	(11)	(70)	(95)	(26)
Other comprehensive income for the financial period, net of tax		(51)	(57)	(11)	(70)	(95)	(26)
Total comprehensive loss for the financial period		(678)	(95)	NM	(1,273)	(685)	86

NM: Not Meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR FINANCIAL PERIOD ENDED 30 JUNE 2022 (cont'd)

	Note	Group					Increase/ (Decrease) %
		2Q2022 S\$'000	2Q2021 S\$'000	Increase/ (Decrease) %	HY2022 S\$'000	HY2021 S\$'000	
Loss attributable to:							
- Equity holders of the Company		(567)	(37)	NM	(1,109)	(580)	91
- Non-controlling interests		(60)	(1)	NM	(94)	(10)	NM
Loss for the financial period		(627)	(38)	NM	(1,203)	(590)	NM
Total comprehensive loss attributable to:							
- Equity holders of the Company		(618)	(94)	NM	(1,179)	(675)	75
- Non-controlling interests		(60)	(1)	NM	(94)	(10)	NM
Total comprehensive loss for the financial period		(678)	(95)	NM	(1,273)	(685)	86
Loss per share for loss attributable to the equity holders of the Company (cents per share)							
- Basic and diluted		(0.0034)	(0.0002)	NM	(0.0067)	(0.0035)	91

NM: Not Meaningful

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	Group		Company	
		As at HY2022	As at FY2021	As at HY2022	As at FY2021
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	373	415	60	86
Right-of-use assets		419	459	77	116
Intangible assets	11	36	36	-	-
Investments in subsidiaries		-	-	1,892	1,892
Financial assets at fair value through profit or loss	10	2	3	-	-
Trade and other receivables	13	-	-	9	223
		830	913	2,038	2,317
Current assets					
Cash and cash equivalents		917	736	473	65
Fixed deposits		482	654	-	-
Trade and other receivables	13	6,183	6,685	3,912	3,592
Inventories		1,261	549	-	-
Financial assets at fair value through profit or loss	10	-	-	96	96
		8,843	8,624	4,481	3,753
Total assets		9,673	9,537	6,519	6,070
LIABILITIES					
Non-current liabilities					
Trade and other payables		-	-	-	-
Borrowings	14	804	1,036	20	96
Provision for employee benefits		92	94	-	-
Deferred tax liabilities		22	22	-	-
		918	1,152	20	96
Current liabilities					
Trade and other payables		5,670	4,679	5,773	4,620
Contract liabilities		1,279	985	-	-
Borrowings	14	1,065	704	171	186
Tax payable		-	3	-	-
		8,014	6,371	5,944	4,806
Total liabilities		8,932	7,523	5,964	4,902
Net assets		741	2,014	555	1,168
EQUITY					
Share capital	15	67,801	67,801	67,801	67,801
Accumulated losses		(65,038)	(63,929)	(67,335)	(66,722)
Other reserves		(1,893)	(1,823)	89	89
Equity attributable to equity holders of the Company		870	2,049	555	1,168
Non-controlling interests		(129)	(35)	-	-
Total equity		741	2,014	555	1,168

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER AND HALF YEAR FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	Group			
		2Q2022 S\$'000	2Q2021 S\$'000	HY2022 S\$'000	HY2021 S\$'000
Cash flows from operating activities					
Loss before tax		(626)	(6)	(1,184)	(558)
Adjustments for:					
Depreciation of property, plant and equipment	6	47	46	101	95
Depreciation of right-of-use assets	6	47	60	106	118
Fair value (gain)/loss on financial assets at fair value through profit or loss	6	1	(2)	1	(2)
Loss on disposal of property, plant and equipment	6	-	4	-	4
Allowance for impairment loss on trade and other receivables		4	-	4	-
Interest expense	6	99	10	166	21
Interest income	6	(52)	(59)	(104)	(113)
Operating cash flows before working capital changes		(480)	53	(910)	(435)
Changes in working capital:					
Inventories		(640)	(209)	(713)	(173)
Payables and contract liabilities		965	(1,641)	1,331	(1,092)
Receivables		546	2,184	557	1,919
Currency translation difference		(62)	30	(90)	(14)
Cash generated from operations		329	417	175	205
Income tax paid		(34)	(53)	(69)	(53)
Net cash generated from operating activities		295	364	106	152
Cash flows from investing activities					
Interest received		-	6	1	7
Purchase of property, plant and equipment		-	(6)	(10)	(14)
Net cash used in investing activities		-	-	(9)	(7)
Cash flows from financing activities					
Interest paid for bank loans		(7)	(8)	(15)	(16)
Interest paid for lease liabilities		(1)	(3)	(3)	(5)
Interest paid for third party		(3)	-	(3)	(12)
Release of fixed deposit pledged		-	18	162	18
Proceeds of borrowings		197	-	365	-
Repayment of borrowings		(81)	(2)	(311)	(141)
Repayment of lease liabilities		(54)	(52)	(107)	(102)
Net cash generated from/(used in) financing activities		51	(47)	88	(258)
Net increase/(decrease) in cash and cash equivalents		346	317	185	(113)
Cash and cash equivalents at beginning of the financial period		570	880	736	1,301
Effects of foreign currency translation on cash and cash equivalents		1	(10)	(4)	(1)
Cash and cash equivalents at end of the financial period		917	1,187	917	1,187
Cash and cash equivalents at end of the financial period were made up of:					
Cash and cash equivalents		917	1,279	917	1,279
Deposit placed in cash margin account		-	(92)	-	(92)
		917	1,187	917	1,187

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group							
Balance as at 1 January 2022		67,801	(63,929)	(1,823)	2,049	(35)	2,014
Loss for the financial period		-	(1,109)	-	(1,109)	(94)	(1,203)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(70)	(70)	-	(70)
Total comprehensive loss for the financial period		-	(1,109)	(70)	(1,179)	(94)	(1,273)
Balance as at 30 June 2022		67,801	(65,038)	(1,893)	870	(129)	741
Balance as at 1 January 2021		67,801	(62,834)	(1,746)	3,221	(3)	3,218
Transfer to capital reserve		-	-	5	5	-	5
Loss for the financial period		-	(580)	-	(580)	(10)	(590)
Other comprehensive loss:							
Currency translation differences arising from consolidation		-	-	(95)	(95)	-	(95)
Total comprehensive loss for the financial period		-	(580)	(95)	(675)	(10)	(685)
Balance as at 30 June 2021		67,801	(63,414)	(1,836)	2,551	(13)	2,538

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

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (cont'd)**

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total equity S\$'000
Company					
Balance as at 1 January 2022		67,801	(66,722)	89	1,168
Loss and total comprehensive loss for the financial period		-	(613)	-	(613)
Balance as at 30 June 2022		67,801	(67,335)	89	555
Balance as at 1 January 2021		67,801	(65,500)	89	2,390
Loss and total comprehensive loss for the financial period		-	(431)	-	(431)
Balance as at 30 June 2021		67,801	(65,931)	89	1,959

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Annica Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist board of the Singapore Exchange. These condensed interim consolidated financial statements as at 30 June 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The primary activity of the Company is that of investment holdings.

The principal activities of the Group are:

- (a) trading in oilfield equipment and related products;
- (b) designing of industrial plant engineering services systems and general wholesaler and trader;
- (c) designing, engineering, procurement, construction and commissioning of solar photovoltaic system and related products;
- (d) operation of generation facilities that produce electric energy, manufacturing of any fabricated metal products and construction of utility projects; and
- (e) investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for HY2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last audited consolidated financial statements for FY2021.

The accounting policies adopted for the condensed interim consolidated financial statements for HY2022 are consistent with those of the previous financial year, FY2021, which were prepared in accordance with SFRS(I)s.

The condensed consolidated interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

On 1 January 2022, the Group adopted new and amended SFRS(I) and interpretations to SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the financial period. The adoption of these new and amended SFRS(I) and INT SFRS(I) did not have a material effect on the financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements of the Group for FY2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 10.1 – Fair value measurement

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 – Intangible assets
- Note 13 – Trade and other receivables

3. Seasonal operations

The Group’s businesses were not affected significantly by seasonal or cyclical factors during HY2022.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Oil and Gas Equipment;
- Engineering Services; and
- Investments and Others

These operating segments are reported in a manner consistent with internal reporting provided to the Company’s Executive Director and Chief Executive Officer, Sandra Liz Hon Ai Ling and the Board of Directors who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 Reportable segments

	Engineering services S\$'000	Oil and gas equipment S\$'000	Investments and others S\$'000	Elimination S\$'000	Total S\$'000
HY2022					
Revenue					
External sales	428	1,958	-	-	2,386
Inter-segment sales	-	-	-	-	-
Total revenue	428	1,958	-	-	2,386
Interest income	-	1	104	(1)	104
Other income	23	129	76	(63)	165
Total other income	23	130	180	(64)	269
Total revenue and other income	451	2,088	180	(64)	2,655
Depreciation of PPE	-	(74)	(27)	-	(101)
Depreciation of ROU assets	-	(59)	(47)	-	(106)
Interest expense	(4)	(161)	(2)	1	(166)
Segment profit	447	1,794	104	(63)	2,282
Unallocated expenses	(498)	(2,256)	(776)	64	(3,466)
Loss before tax	(51)	(462)	(672)	1	(1,184)
Tax expense	(1)	(18)	-	-	(19)
Loss for the interim period	(52)	(480)	(672)	1	(1,203)
HY2022					
Assets					
Non-current assets	-	656	172	-	828
Other segment assets	538	6,823	6,885	(5,401)	8,845
Consolidated total assets	538	7,479	7,057	(5,401)	9,673
Expenditures for segment non-current assets					
Additions to PPE	-	9	1	-	10
Additions to ROU assets	-	63	9	-	72
	-	72	10	-	82
Liabilities					
Segment liabilities	584	3,338	6,307	(3,188)	7,041
Borrowings	270	1,521	349	(271)	1,869
Deferred tax liabilities	-	22	-	-	22
Tax payable	-	-	-	-	-
Consolidated total liabilities	854	4,881	6,656	(3,459)	8,932

4.1 Reportable segments (cont'd)

	Engineering services S\$'000	Oil and gas equipment S\$'000	Investments and others S\$'000	Elimination S\$'000	Total S\$'000
HY2021					
Revenue					
External sales	726	3,123	-	-	3,849
Inter-segment sales	-	-	-	-	-
Total revenue	726	3,123	-	-	3,849
Interest income	-	6	107	-	113
Other income	15	190	158	(67)	296
Total other income	15	196	265	(67)	409
Total revenue and other income	741	3,319	265	(67)	4,258
Depreciation of PPE	(7)	(61)	(27)	-	(95)
Depreciation of ROU assets	(13)	(58)	(47)	-	(118)
Interest expense	(5)	(14)	(2)	-	(21)
Segment profit	716	3,186	189	(67)	4,024
Unallocated expenses	(760)	(3,282)	(604)	64	(4,582)
Loss before tax	(44)	(96)	(415)	(3)	(558)
Tax expense	(1)	(31)	-	-	(32)
Loss for the interim period	(45)	(127)	(415)	(3)	(590)
FY2021					
Assets					
Non-current assets	-	672	238	-	910
Other segment assets	605	6,811	6,358	(5,147)	8,627
Consolidated total assets	605	7,483	6,596	(5,147)	9,537
Expenditures for segment non-current assets					
Additions to PPE	4	44	4	-	52
Additions to ROU assets	-	9	-	-	9
	4	53	4	-	61
Liabilities					
Segment liabilities	547	3,007	5,081	(2,877)	5,758
Borrowings	320	1,303	444	(327)	1,740
Deferred tax liabilities	-	22	-	-	22
Tax payable	2	1	-	-	3
Consolidated total liabilities	869	4,333	5,525	(3,204)	7,523

4.2 Disaggregation of Revenue

	Group HY2022			Total \$'000
	Engineering services \$'000	Oil and gas equipment \$'000	Investments and others \$'000	
Types of goods or services:				
Sale of goods	2	1,951	-	1,953
Services rendered	426	7	-	433
	<u>428</u>	<u>1,958</u>	<u>-</u>	<u>2,386</u>
Timing of revenue recognition:				
At a point in time	428	1,958	-	2,386
Over time	-	-	-	-
	<u>428</u>	<u>1,958</u>	<u>-</u>	<u>2,386</u>
Geographical information:				
Singapore	426	75	-	501
Malaysia	2	875	-	877
Indonesia	-	182	-	182
Thailand	-	331	-	331
Vietnam	-	-	-	-
China	-	1	-	1
Brunei & Myanmar	-	464	-	464
Others	-	30	-	30
	<u>428</u>	<u>1,958</u>	<u>-</u>	<u>2,386</u>

	HY2021			Total \$'000
	Engineering services \$'000	Oil and gas equipment \$'000	Investments and others \$'000	
Types of goods or services:				
Sale of goods	726	2,918	-	3,644
Services rendered	-	205	-	205
	<u>726</u>	<u>3,123</u>	<u>-</u>	<u>3,849</u>
Timing of revenue recognition:				
At a point in time	726	2,064	-	2,790
Over time	-	1,059	-	1,059
	<u>726</u>	<u>3,123</u>	<u>-</u>	<u>3,849</u>
Geographical information:				
Singapore	-	442	-	442
Malaysia	673	1,953	-	2,626
Indonesia	-	233	-	233
Thailand	-	143	-	143
Vietnam	53	33	-	86
China	-	-	-	-
Brunei & Myanmar	-	311	-	311
Others	-	8	-	8
	<u>726</u>	<u>3,123</u>	<u>-</u>	<u>3,849</u>

4.2 Disaggregation of Revenue (cont'd)

	Group 2Q2022			Total \$'000
	Engineering services \$'000	Oil and gas equipment \$'000	Investments and others \$'000	
Types of goods or services:				
Sale of goods	-	1,182	-	1,182
Services rendered	215	(14)	-	201
	<u>215</u>	<u>1,168</u>	<u>-</u>	<u>1,383</u>
Timing of revenue recognition:				
At a point in time	215	1,168	-	1,383
Over time	-	-	-	-
	<u>215</u>	<u>1,168</u>	<u>-</u>	<u>1,383</u>
Geographical information:				
Singapore	215	(18)	-	197
Malaysia	-	497	-	497
Indonesia	-	137	-	137
Thailand	-	241	-	241
Vietnam	-	-	-	-
China	-	1	-	1
Brunei & Myanmar	-	281	-	281
Others	-	29	-	29
	<u>215</u>	<u>1,168</u>	<u>-</u>	<u>1,383</u>

	2Q2021			Total \$'000
	Engineering services \$'000	Oil and gas equipment \$'000	Investments and others \$'000	
Types of goods or services:				
Sale of goods	726	2,092	-	2,818
Services rendered	-	202	-	202
	<u>726</u>	<u>2,294</u>	<u>-</u>	<u>3,020</u>
Timing of revenue recognition:				
At a point in time	726	1,235	-	1,961
Over time	-	1,059	-	1,059
	<u>726</u>	<u>2,294</u>	<u>-</u>	<u>3,020</u>
Geographical information:				
Singapore	-	189	-	189
Malaysia	673	1,566	-	2,239
Indonesia	-	167	-	167
Thailand	-	86	-	86
Vietnam	53	33	-	86
China	-	-	-	-
Brunei & Myanmar	-	259	-	259
Others	-	(6)	-	(6)
	<u>726</u>	<u>2,294</u>	<u>-</u>	<u>3,020</u>

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Note	Group		Company	
		HY2022 S\$'000	FY2021 S\$'000	HY2022 S\$'000	FY2021 S\$'000
Financial Assets					
Financial assets at fair value through profit or loss	10	2	3	96	96
Cash and bank balances and trade and other receivables (Amortised cost)		5,660	7,001	4,346	3,858
		<u>5,662</u>	<u>7,004</u>	<u>4,442</u>	<u>3,954</u>
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		7,487	6,276	5,853	4,773

6. Loss before taxation

6.1 Significant items

	Group			
	2Q2022 S\$'000	2Q2021 S\$'000	HY2022 S\$'000	HY2021 S\$'000
Income				
Interest income from bank and deposits	-	6	1	7
Interest income from a third party	52	53	103	106
Miscellaneous income	22	7	38	76
Government grant received	-	50	1	143
Extension fees on amount due from Ms Chong Shin Mun	15	15	30	25
Exhibition income	(54)	-	27	-
Bad debt recovered	-	31	-	31
Foreign currency exchange (loss)/gain, net	9	(30)	69	19
Expenses				
Interest expenses on borrowings	98	7	163	16
Interest expenses on lease liabilities	1	3	3	5
(Gain)/Loss on disposal of property, plant and equipment	-	4	-	4
Allowance for impairment loss on other receivables	4	-	4	-
Fair value gain/(loss) on financial assets at fair value through profit and loss	1	(2)	1	(2)
Depreciation of property, plant and equipment	47	46	101	95
Depreciation of right of use assets	47	60	106	118

6.2 Related party transactions

There were no material related party transactions during 2Q2022 and HY2022.

7. Taxation

	Group			
	2Q2022 S\$'000	2Q2021 S\$'000	HY2022 S\$'000	HY2021 S\$'000
Current income tax expense	1	32	19	32
Deferred income tax expense	-	-	-	-
	<u>1</u>	<u>32</u>	<u>19</u>	<u>32</u>

8. Dividends

No dividend has been declared during HY2021 and HY2022.

9. Net Asset Value

	Group		Company	
	HY2022	FY2021	HY2022	FY2021
Net asset value per ordinary share of the Company ("Share") based on the issued Shares at the end of the financial period reported on (in cents)	0.005	0.012	0.003	0.007

Net asset value per ordinary share of the Group as at HY2022 was calculated by dividing the Group's net asset value attributable to equity holders as at HY2022 of S\$870,000 (FY2021: S\$2,049,000) by the number of issued ordinary shares of the Company as at HY2022 of 16,674,767,048 (FY2021: 16,674,767,048).

Net asset value per ordinary share of the Company as at HY2022 was calculated by dividing the Company's net asset value attributable to equity holders as at HY2022 of S\$555,000 (FY2021: S\$1,168,000) by the number of issued ordinary shares of the Company as at HY2022 of 16,674,767,048 (FY2021: 16,674,767,048).

10. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss comprise the following:

	Group	
	HY2022 S\$'000	FY2021 S\$'000
Quoted equity investments on the SGX-ST	2	3

10.1 Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets measured at fair value:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 30 June 2022				
Financial assets				
FVTPL investments (Quoted investments)	2	-	-	2
Group – 31 December 2021				
Financial assets				
FVTPL investments (Quoted investments)	3	-	-	3

11. Intangible assets

Goodwill on consolidation	Group S\$'000
At 31 December 2021 and 30 June 2022	36

12. Property, plant and equipment

During HY2022, the Group acquired office equipment amounting to S\$10,000 (31 December 2021: S\$52,000) and did not dispose any property, plant and equipment (31 December 2021: S\$7,000).

13. Trade and other receivables

Trade and other receivables comprise the following:

	HY2022 S\$'000	FY2021 S\$'000
Trade and other receivables		
Trade receivables	796	2,077
Other receivables:		
GPE Power Systems (M) Sdn. Bhd. ("GPE")	3,224	3,147
Advance billings from suppliers	1,742	941
Chong Shin Mun	171	156
Others	250	364
	5,387	4,608
	6,183	6,685

13.1 Ageing profile of trade and other receivables

	HY2022				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	148	72	72	-	4
Oil and gas equipment	645	372	36	7	230
Investments and others	2	-	-	-	2
	<u>795</u>	<u>444</u>	<u>108</u>	<u>7</u>	<u>236</u>
Other receivables					
Engineering services	10	10	-	-	-
Oil and gas equipment	1,770	1,770	-	-	-
Investments and others	3,608	187	22	22	3,377
	<u>5,388</u>	<u>1,967</u>	<u>22</u>	<u>22</u>	<u>3,377</u>
	<u>6,183</u>	<u>2,411</u>	<u>130</u>	<u>29</u>	<u>3,613</u>

	FY2021				
	Total Due S\$'000	0-30 days S\$'000	30-60 days S\$'000	60-90 days S\$'000	90+ days S\$'000
Segments					
Trade receivables					
Engineering services	36	26	-	6	4
Oil and gas equipment	2,039	1,903	93	29	14
Investments and others	2	-	-	-	2
	<u>2,077</u>	<u>1,929</u>	<u>93</u>	<u>35</u>	<u>20</u>
Other receivables					
Engineering services	35	11	-	-	24
Oil and gas equipment	1,105	1,105	-	-	-
Investments and others	3,468	181	22	23	3,242
	<u>4,608</u>	<u>1,297</u>	<u>22</u>	<u>23</u>	<u>3,266</u>
	<u>6,685</u>	<u>3,226</u>	<u>115</u>	<u>58</u>	<u>3,286</u>

14. Borrowings

	HY2022			FY2021		
	Secured Borrowings	Unsecured Borrowings	Lease Liabilities	Secured Borrowings	Unsecured Borrowings	Lease Liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	327	558	180	323	188	193
Amount repayable after one year	762	-	42	929	-	107

The secured bank borrowings and credit facilities of the Group are secured over the Group's leasehold properties, fixed deposits, corporate guarantee by the Company and personal guarantees from the directors of the Company's subsidiaries during HY2022 and FY2021.

15. Share Capital

	The Group and the Company			
	HY2022		FY2021	
	Number of shares '000	Amount S\$'000	Number of shares '000	Amount S\$'000
Beginning of interim period	16,674,767	67,801	16,674,767	67,801
Issuance of new ordinary shares	-	-	-	-
End of interim period	<u>16,674,767</u>	<u>67,801</u>	<u>16,674,767</u>	<u>67,801</u>

There were no changes in the Company's share capital for HY2022 since the end of FY2021.

16. Subsequent events

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

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

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

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

Although the Majority Shareholder had not completed the subscription for the Subscription Shares or paid for the Subscription Price by the Original Subscription Date, the Company had considered the Majority Shareholder's continuous efforts and his integral and key role in driving the business of H2E, as well as his good faith and commitment in meeting his obligations under the Letter of Undertaking. The Company also recognised that the impact of COVID-19 has also affected local and global economies which in turn has affected the Majority Shareholder's ability to meet his obligations. Accordingly, the Company had allowed the Majority Shareholder further time to complete the settlement of the outstanding Subscription Price beyond the Original Subscription Date.

On 29 July 2022, all of the Subscription Shares have been fully subscribed by the Majority Shareholder and H2E has received the Subscription Price in full. Following the allotment and issuance of the Subscription Shares to the Majority Shareholder, the capital of H2E has increased from RM300,000 comprising 10,000 ordinary shares in the capital of H2E ("**Ordinary Shares**") and 290,000 RCNCPS to RM601,837 comprising 311,837 Ordinary Shares and 290,000 RCNCPS.

Immediately following the allotment and issuance of the Subscription Shares to the Majority Shareholder as abovementioned, the Company transferred the 290,000 RCNCPS to Cahya Suria Energy Sdn. Bhd ("**CSE**"), a wholly-owned subsidiary of the Company and an existing shareholder of H2E (the "**Transfer**"), as part of an internal restructuring. The Transfer is for the purposes of streamlining and consolidating the Group's shareholding in H2E at the CSE level.

Immediately following the Transfer, CSE has, pursuant to the terms of the RCNCPS as set out in the Subscription Agreement between H2E, the Company, the Majority Shareholder and CSE dated 30 December 2018, as amended and supplemented by the Supplemental Agreement dated 1 December 2021 (collectively, the "**Subscription Agreement**"), issued a notice of conversion to H2E to convert all the 290,000 RCNCPS in the capital of H2E held by CSE at the conversion rate of one (1) Ordinary Share for every RM1.00 paid on the RCNCPS into 290,000 new Ordinary Shares (the "**New Ordinary Shares**"). The New Ordinary Shares have been allotted and issued by H2E to CSE on 29 July 2022. Following the conversion of the RCNCPS and the allotment and issuance of the New Ordinary Shares, the capital of H2E remains unchanged at RM601,837 but now comprises 601,837 Ordinary Shares instead.

Immediately following the allotment and issuance of the New Ordinary Shares, CSE and the Majority Shareholder have increased their respective investments in the capital of H2E (the "**Additional Investment**") by subscribing for an additional 195,100 Ordinary Shares and 203,063 Ordinary Shares at RM1.00 per Ordinary Share, respectively (collectively, the "**Additional Subscription Shares**").

Following the allotment and issuance of the Additional Subscription Shares:

- (i) the capital of H2E has increased from RM601,837 comprising 601,837 Ordinary Shares to RM1,000,000 comprising 1,000,000 Ordinary Shares; and
- (ii) CSE holds 490,000 Ordinary Shares in H2E (representing 49% of its issued share capital) and the Majority Shareholder holds the remaining 510,000 Ordinary Shares in H2E (representing the remaining 51% of its issued share capital). In this regard, there has not been a change in the Group's effective shareholding in H2E.

Save as disclosed above, there are no known subsequent events (after 30 June 2022) which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital for 2Q2022 since the end of the previous financial period reported on, being 31 March 2022.

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

- Grant of Options pursuant to the Annica Employee Share Option Scheme:

Pursuant to the Annica Employee Share Option Scheme ("ESOS"), the Company had on 27 December 2018 granted employee share options ("ESOS Options") consisting of 42,500,000 Shares, the details of which are as follows:

(a) Date of grant of ESOS Options	27 December 2018
(b) Exercise Price of ESOS Options granted	S\$0.001 per Share
(c) Number of Shares comprised in the ESOS Options granted	42,500,000
(d) Number of Shares comprised in the ESOS Options which have lapsed and are null and void	12,500,000
(e) Remaining number of Shares comprised in the ESOS Options	30,000,000
(f) Number of Shares comprised in the ESOS Options granted to each Director and controlling shareholders (and each of their associates)	None
(g) Market Price of the Shares on the Date of Grant	S\$0.001
(h) Validity period of the ESOS Options	28 December 2019 – 27 December 2028 (both dates inclusive) ESOS Options shall only be exercisable after the 1 st anniversary from the Date of Grant and shall be exercised before the 10 th anniversary of the Date of Grant.

As at the date of this announcement, no ESOS Options have been exercised by the respective ESOS Option holders.

As at 30 June 2022, the number of shares that may be issued on conversion of all the outstanding convertible securities was 30,000,000 (30 June 2021: 30,000,000) which represented approximately 0.18% (30 June 2021: 0.18%) of the total issued shares excluding treasury shares and subsidiary holdings.

There were no treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021.

(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 HY2022	As at FY2021
Total number of issued shares excluding treasury shares ('000)	16,674,767	16,674,767

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

Not applicable. The Company did not hold any treasury shares as at 30 June 2022 and 31 December 2021.

(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company's subsidiaries did not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

As disclosed in the Company's annual report for the financial year ended 31 December 2021, the Company's auditors were unable to obtain sufficient appropriate audit evidence to satisfy themselves that (i) no further allowance for impairment loss is required with respect to the remaining consideration receivable of S\$156,000 and (ii) no allowance for impairment loss is required with respect to receivables from a former subsidiary, GPE Power Systems (M) Sdn Bhd, which amounted to S\$3,147,000. The Company's auditors were also unable to obtain sufficient appropriate audit evidence with respect to the cash flows that can be received by the Group and the Company in settlement of the said receivables mentioned in sub-point (ii) above.

For the purposes of this section, unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Company's announcements on 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021, 20 October 2021, 25 February 2022, 13 May 2022 and 24 June 2022.

In respect of audit issue (i) above, as disclosed in the Company's announcements on 19 October 2020 and 9 March 2021, the Company initially contemplated the appointment of a law firm to commence legal action against Ms. Chong Shin Mun (the "Purchaser") and the Guarantor for the purposes of recovering the outstanding Fourth Tranche Consideration as the amounts demanded under the Letters of Demand which had been served on the Purchaser and the Guarantor on 25 September 2020 (the "Demanded Amounts"), further details of which are provided in the Company's announcements dated 25 September 2020 and 19 October 2020, had not been received by the Company as of 19 October 2020.

As subsequently disclosed in the Company's announcements dated 1 March 2021, 9 March 2021, 14 April 2021 and 20 April 2021, on the advice of the Company's legal advisors, prior to the commencement of legal action, the Company had sought a written consent from the Purchaser to waive her jurisdictional rights in Singapore in favour of Malaysia, due to cost considerations. The waiver was received by the Company from the Purchaser on 14 December 2020.

Following receipt of the waiver, the Purchaser informed the Company of a new offer for the proposed sale of her assets and requested for additional time to complete the sale, which proceeds have been assigned to the Company to satisfy the Demanded Amounts. As a result of this new development, the Board had deliberated at length during its meeting in December 2020 and decided to stay its earlier decision to commence legal action and grant the Purchaser reasonable time to settle the Demanded Amounts through the sale of her assets. In arriving at their decision, the Board had considered that:

- (a) the Purchaser had, in addition to the existing security, assigned the proceeds of the sale of the Purchaser's assets to the Company; and
- (b) the Purchaser had provided the Company with a total of 810,000,000 shares amounting to S\$810,000. Save for the 140,000,000 shares with a value amounting to S\$140,000 which had yet to be monetized as at the time of the board meeting, 670,000,000 shares amounting to S\$670,000 given to the Company as partial payment towards the Purchase Price had been monetized successfully without commencing legal action.

Furthermore, the Board also weighed the legal costs, time and potential recoverability of the Demanded Amounts against any potential detriment to the Company for staying the legal action and took the view that there would not be significant detriment to the Company in staying the legal action for a reasonable period, and any legal action may actually adversely impact any potential sale of the Purchaser's assets and the Purchaser's ability to satisfy the Demanded Amounts. For the reasons disclosed in the Company's announcement dated 20 April 2021, the Audit Committee of the Company ("AC") maintains the view that the ongoing engagement with the Purchaser is in the best interests of the Company and its shareholders and should be continued at this juncture, while the AC continues to monitor and review the situation for any changes to the detriment of the Company.

The Purchaser has since completed the transfer of, and successfully monetized, all the Controlled Shares under the 27 June 2019 Share Charge and all the Further Controlled Shares under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge. The proceeds from such transfers, amounting to an aggregate of S\$810,000, have been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser. As at the date of this announcement, the total amount outstanding from the Purchaser is S\$1,114,458 (of which S\$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual reports for the financial year ended 31 December 2020 ("FY2020") and FY2021).

In respect of audit issue (ii) above, on 15 January 2020, the Purchaser had granted 100,000,000 shares in the Company to the Company towards satisfying the outstanding scheduled payment of S\$100,000 on behalf of GPE. On 31 March 2020, the Company received S\$30,000 in cash from GPE, being the scheduled payment specified under the loan restructuring agreement. On 11 June 2020, the Company had sold the 100,000,000 shares granted by the Purchaser for a cash consideration of S\$100,000 which was applied towards satisfying the outstanding scheduled payment of S\$100,000 on behalf of GPE. On 26 July 2022, the Company received a further sum of S\$90,000 from GPE. As at the date of this announcement, the outstanding payments due from GPE amount to S\$3,151,548. The Purchaser, 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 payments together with the remaining outstanding Fourth Tranche Consideration.

The proposed sale of these assets involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve. Despite the understanding that the parties are working towards an expeditious completion of the proposed sale, the Company is in discussions with Ms. Chong Shin Mun on other alternative means of monetizing these assets in the event that the proposed sale of assets fails. If so, the Company will release the necessary update announcement to shareholders and seek necessary shareholders' approval if required.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed to date.

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

Except as disclosed in paragraph 5 below, the Group adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recently audited consolidated financial statements for the financial year ended 31 December 2021.

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

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2022. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's accounting policies and has no material impact on the financial statements for the current financial reporting period.

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

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2Q2022	2Q2021	HY2022	HY2021
Loss per share based on the weighted average number of shares on issue (in cents):				
- basic and diluted loss per share (Note (a))	(0.0034)	(0.0002)	(0.0067)	(0.0035)

(a) Basic and diluted loss per share for 2Q2022 and HY2022 were calculated by dividing the loss attributable to equity holders of the Company of S\$567,000 and S\$1,109,000 respectively (2Q2021: S\$37,000; HY2021: S\$580,000) by the weighted average number of shares for 2Q2022 and HY2022 of 16,674,767,048 (2Q2021 and HY2021: 16,674,767,048).

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

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

Please refer to Note 9 as disclosed in the Condensed Interim Consolidated Financial Statements for HY2022 for further information.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to Appendix A for the review of the performance of the Group during HY2022.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously disclosed to shareholders.

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

The Directors remain cautious in the near term as the South East Asian market, which the Group operates in and which is dependent on the performance of the major world economies, remains vulnerable and has been adversely affected by the effects of global inflationary pressures and supply chain disruptions due to, *inter alia*, the lingering impact of COVID19 and the current war in Ukraine. The uncertain global economy coupled with heightened geopolitical tensions among major world powers have had an adverse impact on the Group's operations and performance, especially the oil and gas equipment segment which is highly susceptible to geopolitical risks. In addition, the trade protectionism taken by major economies, which casts uncertainty over the global economy, is also likely to impact the Group's businesses adversely. Meanwhile, the political situation in Malaysia, a key market for the Group, remains fragile and uncertain. This, together with the after-effects of the pandemic, has adversely impacted the Malaysian economy, which in turn has also adversely affected the Group's projects in the renewable energy sector.

The Group continues to monitor these developments and undertake measures to mitigate any potential adverse impact. In particular, the Board is of the opinion that the diversification into the renewable energy sector since 2016 is both timely and strategic, especially in green technology and emerging hydrogen technology with potential for high growth and mass adoption in off-grid electrification applications, as renewable energy initiatives gain traction across the globe in response to addressing the issue of climate change. The Group is also performing a reset on its engineering services segment and oil and gas equipment segment, reshaping their strategic direction to serve other markets along the value chain of the said segments. The reset aims to strengthen the Group's position along the value chain and improve the contribution from these segments. These would include building the long-term capabilities, processes and plans to deliver products more cost-effectively and identify ways to scale efficiently. The Directors are also actively evaluating various strategies, including fund raising, acquisitions of suitable businesses as well as restructuring the Group's existing business or assets to improve the existing business and earnings base of the Group, in addition to a targeted, realistic approach to cashflows and expense management.

11. **If a decision regarding dividend has been made:-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**
No dividend has been declared.
 - (b)(i) **Amount per share**
Not applicable.
 - (b)(ii) **Previous corresponding period**
Not applicable. No dividend was declared for HY2021.
 - (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not applicable.
 - (d) **The date the dividend is payable.**
Not applicable.
 - (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**
Not applicable.
12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**
No dividend has been recommended or declared for the financial period under review as the Group is currently not profit-making.
13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**
The Group has not obtained a general mandate from shareholders of the Company for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There was no interested person transaction, as defined in Chapter 9 of the Catalist Rules, entered into by the Company or any of its subsidiaries during HY2022.
14. **Please disclose the use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where the proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the issuer must also announce the reasons for such deviation.**
There were no outstanding proceeds during HY2022.
15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**
The Company confirms that the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the six-month financial period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

Tan Sri Dato Seri Zulkefli Bin Ahmad Makinudin
Independent and Non-Executive Chairman

Singapore
11 August 2022

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

The Group posted revenue of S\$1,383,000 in 2Q2022, which was a decrease of S\$1,637,000 (54%) from S\$3,020,000 in 2Q2021. The Group had reported lower revenue in 2Q2022 as compared to 2Q2021 mainly due to lower revenue generated from the oil and gas equipment segment in 2Q2022.

The Group posted revenue of S\$2,386,000 in HY2022, which was a decrease of S\$1,463,000 (38%) from S\$3,849,000 in HY2021. This was mainly due to lower revenue generated from the oil and gas equipment segment in HY2022.

Gross Profit

The Group reported a gross profit of S\$485,000 in 2Q2022, which was a decrease of S\$323,000 (40%) from S\$808,000 in 2Q2021. The gross profit margin reported was 35% in 2Q2022, which was an increase of 8% from 27% in 2Q2021. This was mainly due to higher gross profit margin projects in both the engineering services and oil and gas equipment segments in 2Q2022 as compared to 2Q2021.

The Group reported a gross profit of S\$865,000 in HY2022, which was a decrease of S\$135,000 (14%) from S\$1,000,000 in HY2021. The gross profit margin reported was 36% in HY2022, which was an increase of 10% from 26% in HY2021. This was mainly due to higher gross profit margin projects in both the engineering services and oil and gas equipment segments in HY2022 as compared to HY2021.

Other income

The Group reported a reversal of other income of S\$8,000 in 2Q2022, which was a decrease of S\$83,000 from S\$75,000 in 2Q2021. This was mainly due to a reversal of exhibition income which had been recognised in 1Q2022. By comparison, in 2Q2021, other income comprised mainly amounts received from the Singapore government under the Jobs Support Scheme and bad debt recovered offset against foreign currency exchange loss.

The Group received other income of S\$165,000 in HY2022, which was a 44% decrease of S\$131,000 from S\$296,000 in HY2021. In HY2022, other income comprised mainly exhibition income received and a gain on foreign currency exchange. By comparison, in HY2021, other income comprised mainly amounts received from the Singapore government under the Jobs Support Scheme, bad debt recovered and a gain on foreign currency exchange. The bad debt recovered concerned Panah Jaya Services Sdn. Bhd., a related subsidiary, which had fully recovered the bad debt of S\$31,000 from its trade receivable which had been written off during FY2020. Foreign exchange gain was higher in HY2022 as compared to HY2021 mainly due to the fluctuation of the United States Dollar, Malaysian Ringgit and the Indonesian Rupiah against the Singapore Dollar in HY2022.

Interest income

The Group received interest income of S\$52,000 in 2Q2022, which was a 12% decrease of S\$7,000 from S\$59,000 in 2Q2021. This was mainly due to lower interest income received from the bank.

The Group received interest income of S\$104,000 in HY2022, which was an 8% decrease of S\$9,000 from S\$113,000 in HY2021 and which represents a marginal variance.

Selling and distribution expenses

The Group had incurred selling and distribution expenses of S\$40,000 in 2Q2022, which was an increase of S\$26,000 from S\$14,000 in 2Q2021. This was mainly due to higher travelling expenses incurred during 2Q2022 as compared to 2Q2021.

The Group had incurred selling and distribution expenses of S\$117,000 in HY2022, which was an increase of S\$90,000 from S\$27,000 in HY2021. This was mainly due to higher exhibition expenses and travelling expenses during HY2022.

Administrative and general expenses

The Group had incurred administrative and general expenses of S\$1,006,000 in 2Q2022, which was a 9% increase of S\$86,000 from S\$920,000 in 2Q2021. This was mainly due to higher employment expenses during 2Q2022.

The Group had incurred administrative and general expenses of S\$2,024,000 in HY2022, which was a 6% increase of S\$110,000 from S\$1,914,000 in HY2021, which represents a marginal variance. The depreciation charged on property, plant and equipment ("PPE") and right of use assets ("ROU") remained fairly consistent and did not vary much between HY2022 and HY2021.

Other expenses

The Group had incurred other expenses of S\$6,000 in 2Q2022, which was an increase of S\$2,000 from S\$4,000 in 2Q2021. Other expenses incurred in 2Q2022 were mainly due to fair value loss on a financial asset. By comparison, in 2Q2021, other expenses comprised loss on asset disposal.

The Group had incurred other expenses of S\$7,000 in HY2022, which was an increase of S\$2,000 from S\$5,000 in HY2021. Other expenses incurred in HY2022 were mainly due to fair value loss on a financial asset. By comparison, in HY2021, other expenses comprised loss on asset disposal.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)

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

Impairment losses on trade and other receivables

Impairment losses on other receivables of S\$4,000 had been recognised during 2Q2022 and HY2022. There were no impairment losses on financial assets during 2Q2021 and HY2021.

Finance costs

The Group had incurred finance costs of S\$99,000 in 2Q2022, which was an increase of S\$89,000 from S\$10,000 in 2Q2021. The finance costs incurred in 2Q2022 arose mainly from interest expenses on borrowings from third parties.

The Group had incurred finance costs of S\$166,000 in HY2022, which was an increase of S\$145,000 from S\$21,000 in HY2021. The finance costs incurred in HY2022 arose mainly from interest expenses on borrowings from banks and third parties, and lease liabilities.

Tax expense

The Group's income tax expense was S\$1,000 in 2Q2022, which was a 97% decrease of S\$31,000 from S\$32,000 in 2Q2021. The tax expense incurred by the Group was S\$19,000 in HY2022, which was a 41% decrease of S\$32,000 from S\$59,000 in HY2021. The tax expense arose mainly from the oil and gas equipment and engineering services segments during 2Q2022 and HY2022.

Loss for the financial period

The Group reported a loss for the financial period of S\$627,000 in 2Q2022, which was an increase of S\$589,000 from S\$38,000 in 2Q2021. The Group reported a loss for the financial period of S\$1,203,000 in HY2022, which was an increase of S\$613,000 from S\$590,000 in HY2021. The losses incurred were mainly due to lower revenue, lower gross profit, lower other income associated with higher selling and distribution expenses, higher administrative and general expenses and higher finance costs as explained above.

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)

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by S\$83,000 from S\$913,000 as at FY2021 to S\$830,000 as at HY2022 mainly due to the depreciation charged on property, plant and equipment and right-of-use assets.

Current assets

Current assets of the Group amounted to S\$8,843,000 as at HY2022, an increase of S\$219,000 from S\$8,624,000 as at FY2021. This was primarily due to an increase in cash and bank balances and inventories offset against fixed deposit pledged to bank and lower trade and other receivables.

Non-current liabilities

There was a decrease in the Group's non-current liabilities of S\$234,000 from S\$1,152,000 as at FY2021 to S\$918,000 as at HY2022 mainly due to the reclassification of long-term borrowings to short-term borrowings.

Current liabilities

The Group reported current liabilities of S\$8,014,000 as at HY2022, which was an increase of S\$1,643,000 from S\$6,371,000 as at FY2021. This was mainly due to increase in trade and other payables, contract liabilities and borrowings arising from the reclassification of long-term borrowings to short-term borrowings.

Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was S\$870,000 as at HY2022. This represents a decrease of S\$1,179,000 from S\$2,049,000 as at FY2021 and is mainly attributable to losses incurred during HY2022.

STATEMENT OF CASH FLOWS

2Q2022

The Group also recorded a net cash generated from operating activities of S\$295,000 in 2Q2022 (2Q2021: S\$364,000). The cash generated from operating activities for 2Q2022 was mainly due to the collection of receivables in 2Q2022.

No investing activities were undertaken by the Group during 2Q2022. By comparison, S\$6,000 of interest received was offset against the acquisition of property, plant and equipment of S\$6,000 during 2Q2021.

The Group had posted a net cash generated from financing activities of S\$51,000 in 2Q2022 (2Q2021: net cash used in financing activities of S\$47,000). The cash generated from financing activities in 2Q2022 was mainly due to the proceeds from borrowings of S\$197,000 offset against interest paid on borrowings of S\$11,000 and repayment of borrowings and lease liabilities of S\$135,000.

HY2022

The Group had recorded a net cash generated from operating activities which amounted to S\$106,000 in HY2022 (HY2021: S\$152,000). This was mainly due to the collection of receivables in HY2022.

The Group had recorded a net cash used in investing activities which amounted to S\$9,000 in HY2022 (HY2021: S\$7,000), mainly due to payments made to acquire property, plant and equipment during HY2022.

The Group had recorded a net cash generated from financing activities which amounted to S\$88,000 in HY2022 (HY2021: cash used in financing activities of S\$258,000). The net cash generated from financing activities in HY2022 mainly comprised interest paid on borrowings of S\$21,000, release of fixed deposit of S\$162,000, proceeds from borrowings of S\$365,000 and repayment of borrowings and lease liabilities of S\$418,000.

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 2022

Update on the Pilot Project

Pursuant to the announcements dated 5 June 2018, 24 September 2018, 31 January 2019, 25 April 2019, 23 June 2019, 6 September 2019, 9 June 2020, 13 August 2020, 1 March 2021, 3 June 2021, 10 November 2021, 12 April 2022 and 8 August 2022 in relation to the Pilot Project entered into between the Company's subsidiary, H2 Energy Sdn. Bhd. ("H2E") and the Sarawak State Health Department ("SSHD") under the Ministry of Health, Malaysia, the Board has progressively updated shareholders on the latest milestones of the Pilot Project.

On 12 April 2022, the Company announced that H2E had conducted an official user training of the Pilot Module at the Pilot Project site to each of (a) Sector Program Lestari, Sustainable Programme Sector, Ministry of Health Malaysia, (b) Bahagian Perkhidmatan Kejuruteraan, Engineering Services Division, Ministry of Health Malaysia, (c) Kementerian Kesihatan Malaysia, Ministry of Health Malaysia, and (d) Pejabat Kesihatan Bahagian Miri, Miri Divisional Health Office. The training included, *inter alia*, a presentation on the working principles of the components of the Power Module and a live presentation of the operation of the Power Module. H2E had also officially launched and commenced the Pilot Project on the same day.

In a recent update on 8 August 2022, the Company announced that the Pilot Project has been completed and H2E's technical team is currently compiling the data from the Pilot Project for the purposes of preparing a project report for presentation to the Ministry of Health, Malaysia and the SSHD (the "H2E1 Pilot Project") to facilitate further discussions. The Company also announced the official launch of the Solar-Hydrogen Module model "H2E1" ("H2E1") at the Long Loyang Clinic, Sarawak (the "Clinic") on the same day, which was attended and officiated by YB Datuk Haji Julaihi bin Haji Narawi, Minister of Utilities and Telecommunications Sarawak.

H2E1 is now operational and supplies 25-30kW of electricity per day (daytime usage of 15kW and night-time usage of 10kW) to the Clinic, with a peak load of 2.88 kWp. This provides the Clinic with essential lighting and refrigeration (for vaccines, medicines, etc.), defibrillators and other basic medical equipment. The Group will continue to work diligently to keep shareholders updated on the progress, outcome and commercialisation of the H2E1 and as and when there are material developments.

Recovery of Consideration Payable to the Company pursuant to the Disposal of GPE

Reference is made to the Company's announcements on 26 July 2018, 29 October 2018, 15 January 2019, 15 February 2019, 2 May 2019, 20 May 2019, 31 May 2019, 9 June 2019, 27 June 2019, 19 July 2019, 13 August 2019, 27 August 2019, 3 October 2019, 5 November 2019, 11 November 2019, 12 November 2019, 26 November 2019, 9 December 2019, 15 December 2019, 4 February 2020, 2 March 2020, 9 March 2020, 1 May 2020, 14 May 2020, 22 May 2020, 23 June 2020, 21 August 2020, 28 August 2020, 25 September 2020, 19 October 2020, 1 March 2021, 9 March 2021, 14 April 2021, 20 April 2021, 20 October 2021, 25 February 2022 and 13 May 2022 in relation to, *inter alia*:

- (a) the Sale and Purchase Agreement entered into between the Company and Chong Shin Mun (the "Purchaser") on the disposal by the Company of its entire shareholding interest in GPE;
- (b) the Share Charge and Control Deed dated 27 June 2019 over 697,330,000 Controlled Shares ("27 June 2019 Share Charge"), the Share Charge and Control Deed dated 12 December 2019 over 50,000,000 Further Controlled Shares ("12 December 2019 Share Charge"), and the Share Charge and Control Deed dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares ("9 March 2020 Share Charge") entered into between the Company and the Purchaser;
- (c) the Power of Attorney dated 27 June 2019 over 697,330,000 Controlled Shares, the Power of Attorney dated 12 December 2019 over 50,000,000 Further Controlled Shares, and the Power of Attorney dated 9 March 2020 over an additional 62,670,000 Further Controlled Shares granted by the Purchaser to the Company; and
- (d) the service of the Letters of Demand on the Purchaser and Tan Yock Chew (the "Guarantor"),

(collectively, the "Earlier Announcements").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Earlier Announcements.

The Purchaser has since completed the transfer of, and successfully monetized, all the Controlled Shares under the 27 June 2019 Share Charge and all the Further Controlled Shares under the 12 December 2019 Share Charge and the 9 March 2020 Share Charge. The proceeds from such transfers, amounting to an aggregate of S\$810,000, have been applied towards part payment of the outstanding Fourth Tranche Consideration owed by the Purchaser. As at the date of this announcement, the total amount outstanding from the Purchaser is S\$1,114,458 (of which S\$933,000 has been impaired as disclosed in the audited consolidated financial statements in the Company's annual reports for FY2020 and FY2021).

As mentioned in section 3A(a) on page 17 of this announcement, the proposed sale of the Purchaser's assets involves several other stakeholders and the alignment of these transacting parties' interests requires time to resolve. Despite the understanding that the parties are working towards an expeditious completion of the proposed sale, the Company is in discussions with Ms. Chong Shin Mun on other alternative means of monetizing these assets in the event that the proposed sale of assets fails.

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 2022 (cont'd)

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

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

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

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

On 29 July 2022, all of the Subscription Shares have been fully subscribed by the Majority Shareholder and H2E has received the Subscription Price in full. Following the allotment and issuance of the Subscription Shares to the Majority Shareholder, the capital of H2E has increased from RM300,000 comprising 10,000 ordinary shares in the capital of H2E ("**Ordinary Shares**") and 290,000 RCNCPS to RM601,837 comprising 311,837 Ordinary Shares and 290,000 RCNCPS.

Immediately following the allotment and issuance of the Subscription Shares to the Majority Shareholder as abovementioned, the Company transferred the 290,000 RCNCPS to Cahya Suria Energy Sdn. Bhd ("**CSE**"), a wholly-owned subsidiary of the Company and an existing shareholder of H2E (the "**Transfer**"), as part of an internal restructuring. The Transfer is for the purposes of streamlining and consolidating the Group's shareholding in H2E at the CSE level.

Immediately following the Transfer, CSE has, pursuant to the terms of the RCNCPS as set out in the Subscription Agreement between H2E, the Company, the Majority Shareholder and CSE dated 30 December 2018, as amended and supplemented by the Supplemental Agreement dated 1 December 2021 (collectively, the "**Subscription Agreement**"), issued a notice of conversion to H2E to convert all the 290,000 RCNCPS in the capital of H2E held by CSE at the conversion rate of one (1) Ordinary Share for every RM1.00 paid on the RCNCPS into 290,000 new Ordinary Shares (the "**New Ordinary Shares**"). The New Ordinary Shares have been allotted and issued by H2E to CSE on 29 July 2022. Following the conversion of the RCNCPS and the allotment and issuance of the New Ordinary Shares, the capital of H2E remains unchanged at RM601,837 but now comprises 601,837 Ordinary Shares instead.

Immediately following the allotment and issuance of the New Ordinary Shares, CSE and the Majority Shareholder have increased their respective investments in the capital of H2E (the "**Additional Investment**") by subscribing for an additional 195,100 Ordinary Shares and 203,063 Ordinary Shares at RM1.00 per Ordinary Share, respectively (collectively, the "**Additional Subscription Shares**").

Following the allotment and issuance of the Additional Subscription Shares:

- (i) the capital of H2E has increased from RM601,837 comprising 601,837 Ordinary Shares to RM1,000,000 comprising 1,000,000 Ordinary Shares; and
- (ii) CSE holds 490,000 Ordinary Shares in H2E (representing 49% of its issued share capital) and the Majority Shareholder holds the remaining 510,000 Ordinary Shares in H2E (representing the remaining 51% of its issued share capital). In this regard, there has not been a change in the Group's effective shareholding in H2E.

OTHER MATTERS

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

On 27 May 2022, the CAD confirmed to the Company's external auditor that there is no ongoing investigation against the Company. The Company will make further announcements as and when there are material developments concerning this matter.