

# ANNICA HOLDINGS LIMITED

Unaudited Financial Statements And Dividend Announcement For The Half-Year Financial Period Ended 30 June 2020

*This announcement has been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor").*

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

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For the purpose of this Announcement, **HY2020** refers to the six-month financial period ended 30 June 2020 whereas **HY2019** refers to the corresponding six-month financial period ended 30 June 2019. **FY2019** refers to the full financial year ended 31 December 2019.

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

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

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 June 2020

	Group		Increase/ (Decrease)
	HY2020	HY2019	
	S\$'000	S\$'000	%
Revenue	5,560	4,591	21
Cost of sales	(4,303)	(3,221)	34
Gross profit	1,257	1,370	(8)
Other income	368	541	(32)
Interest income	110	103	7
Selling and distribution expenses	(105)	(112)	(6)
Administrative and general expenses	(1,990)	(1,864)	7
Other expenses	(1)	(2)	(50)
Finance costs	(22)	(13)	69
<b>(Loss)/Profit before income tax</b>	<b>(383)</b>	<b>23</b>	<b>NM</b>
Income tax expense	-	-	NM
<b>(Loss)/Profit after tax</b>	<b>(383)</b>	<b>23</b>	<b>NM</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	3	(70)	NM
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	<b>3</b>	<b>(70)</b>	<b>NM</b>
<b>Total comprehensive loss for the financial period</b>	<b>(380)</b>	<b>(47)</b>	<b>NM</b>
<b>Total (loss)/profit attributable to:</b>			
- Equity holders of the Company	(313)	(26)	NM
- Non-controlling interests	(70)	49	NM
	<b>(383)</b>	<b>23</b>	<b>NM</b>
<b>Total comprehensive loss attributable to:</b>			
- Equity holders of the Company	(310)	(96)	NM
- Non-controlling interests	(70)	49	NM
	<b>(380)</b>	<b>(47)</b>	<b>NM</b>

NM: Not meaningful

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

	Group		Increase/ (Decrease) %
	HY2020 S\$'000	HY2019 S\$'000	
Interest income from bank and deposits	(2)	(2)	NM
Interest income from a third party	(108)	(101)	7
Interest expenses on redeemable convertible bonds	5	7	(29)
Interest expenses on borrowings	16	6	NM
Gain on disposal of property, plant and equipment	(3)	(77)	(96)
Commission income	(1)	(157)	(99)
Miscellaneous income	(188)	(2)	NM
Fair value gain on redeemable convertible bonds	(41)	(22)	86
Gain on write off loan	-	(268)	NM
Depreciation of property, plant and equipment	38	29	31
Depreciation of right of use asset	134	146	(8)
Fair value loss on financial assets at fair value through profit and loss	1	1	NM
Foreign currency exchange gain	(136)	(15)	NM

NM: Not meaningful

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

**STATEMENTS OF FINANCIAL POSITION  
AS AT 30 June 2020**

	Group		Company	
	As at HY2020 S\$'000	As at FY2019 S\$'000	As at HY2020 S\$'000	As at FY2019 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,345	1,286	35	54
Fixed deposits	332	324	-	-
Trade and other receivables	3,763	4,542	1,963	1,908
Inventories	1,061	275	-	-
Financial assets at fair value through profit or loss	7	7	7	7
	<b>6,508</b>	<b>6,434</b>	<b>2,005</b>	<b>1,969</b>
<b>Non current assets</b>				
Trade and other receivables	2,524	2,446	2,524	2,611
Investments in subsidiaries	-	-	2,151	2,151
Investment in an associate	-	-	-	-
Financial assets at fair value through profit or loss	1	2	96	96
Property, plant and equipment	209	223	5	20
Right of use assets	361	378	10	56
Intangible assets	36	36	-	-
	<b>3,131</b>	<b>3,085</b>	<b>4,786</b>	<b>4,934</b>
<b>Total assets</b>	<b>9,639</b>	<b>9,519</b>	<b>6,791</b>	<b>6,903</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	3,514	3,101	2,316	1,750
Borrowings	702	727	615	844
Current income tax liabilities	25	37	-	-
Contract liabilities	1,059	868	-	-
	<b>5,300</b>	<b>4,733</b>	<b>2,931</b>	<b>2,594</b>
<b>Non-current liabilities</b>				
Trade and other payables	129	171	129	171
Borrowings	70	96	2	3
Provision	106	105	-	-
Deferred income tax liabilities	31	31	-	-
	<b>336</b>	<b>403</b>	<b>131</b>	<b>174</b>
<b>Total liabilities</b>	<b>5,636</b>	<b>5,136</b>	<b>3,062</b>	<b>2,768</b>
<b>Net assets</b>	<b>4,003</b>	<b>4,383</b>	<b>3,729</b>	<b>4,135</b>
<b>EQUITY</b>				
Share capital	67,801	67,801	67,801	67,801
Accumulated losses	(62,011)	(61,698)	(64,161)	(63,755)
Other reserves	(1,777)	(1,780)	89	89
<b>Equity attributable to equity holders of the Company</b>	<b>4,013</b>	<b>4,323</b>	<b>3,729</b>	<b>4,135</b>
Non-controlling interests	(10)	60	-	-
<b>Total equity</b>	<b>4,003</b>	<b>4,383</b>	<b>3,729</b>	<b>4,135</b>

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

	As at HY2020		As at FY2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	8	549	8	591
Amount repayable after one year	56	-	61	-

The Group's secured borrowings were secured on the Group's leasehold properties and fixed deposits during HY2020 and FY2019.

The Group's unsecured borrowings as at HY2020 were mainly due to Group's leases, loan from third party, and the remaining RCBs held by Premier Equity Fund Sub Fund F which remained unconverted during HY2020 ("**Unconverted RCBs**") (but which have been fully redeemed as of 6 August 2020). As at FY2019, the Group's unsecured borrowings were mainly due to the outstanding amount under the LionGold Loan of S\$50,000 and the Unconverted RCBs. Please refer to the note entitled "2% redeemable convertible bonds ("**RCBs**") with an aggregate principal amount of up to S\$60,000,000" on page 14 of this announcement for further details.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 June 2020**

	Group	
	HY2020	HY2019
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before income tax	(383)	23
Adjustments for:		
Depreciation of property, plant and equipment	35	29
Depreciation of right of use asset	134	146
Fair value gain on redeemable convertible bonds	(41)	(22)
Fair value loss on financial assets at fair value through profit or loss	1	1
Gain on disposal of property, plant and equipment	(3)	(77)
Gain on write off loan	-	(268)
Interest expense	22	13
Interest income	(110)	(103)
Gain on consolidation of an associate	-	(37)
Capital reserve on ESOS	-	20
<b>Operating cash flows before working capital changes</b>	<b>(345)</b>	<b>(275)</b>
Changes in working capital:		
Inventories	(786)	(363)
Payables and contract liabilities	559	(612)
Receivables	808	719
Currency translation difference	(29)	(54)
<b>Cash used in operations</b>	<b>207</b>	<b>(585)</b>
Interest paid	-	(7)
Income tax paid	(12)	(15)
<b>Net cash generated from/(used in) operating activities</b>	<b>195</b>	<b>(607)</b>
<b>Cash flows from investing activities</b>		
Interest received	2	2
Purchase of property, plant and equipment	(49)	(133)
Proceeds from disposal of property, plant and equipment	29	77
<b>Net cash used in investing activities</b>	<b>(18)</b>	<b>(54)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	-*
Proceeds of borrowings	138	1
Issuance of shares	-	500
Release of deposit in cash margin account	-	110
Repayment of borrowings	(282)	(611)
<b>Net cash used in financing activities</b>	<b>(144)</b>	<b>-*</b>
<b>Net decrease in cash and cash equivalents</b>	<b>33</b>	<b>(661)</b>
Cash and cash equivalents at beginning of the financial period	1,206	1,842
Effects of foreign currency translation on cash and cash equivalents	14	(11)
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,253</b>	<b>1,170</b>
<b>Cash and cash equivalents at end of the financial period were made up of:</b>		
Cash and cash equivalents	1,345	1,285
Deposit placed in cash margin account	(92)	(115)
	<b>1,253</b>	<b>1,170</b>

\* Amount is less than S\$1,000

Major non-cash items:

During HY2019, there was a one-off gain of S\$268,000 arising from the settlement of the outstanding amount under the LionGold Loan and a one-off gain of S\$37,000 from the consolidation of an associate, HT Energy (S) Sdn. Bhd.

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 June 2020**

	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
<b>Group</b>						
Balance as at 1 January 2020	67,801	(61,698)	(1,780)	4,323	60	4,383
Loss for the financial period	-	(313)	-	(313)	(70)	(383)
Other comprehensive income:						
Currency translation differences arising from consolidation	-	-	3	3	-	3
Total comprehensive (loss)/income for the financial period	-	(313)	3	(310)	(70)	(380)
<b>Balance as at 30 June 2020</b>	<b>67,801</b>	<b>(62,011)</b>	<b>(1,777)</b>	<b>4,013</b>	<b>(10)</b>	<b>4,003</b>
Balance as at 1 January 2019	67,301	(61,243)	(1,824)	4,234	10	4,244
Issuance of ordinary shares of the Company	500	-	-	500	-	500
ESOS expenses	-	-	20	20	-	20
(Loss)/income for the financial period	-	(26)	-	(26)	49	23
Other comprehensive income:						
Currency translation differences arising from consolidation	-	-	(70)	(70)	-	(70)
Total comprehensive (loss)/income for the financial period	-	(26)	(70)	(96)	49	(47)
<i>Changes in ownership interests in a subsidiary:</i>						
Consolidation of an associate	-	-	-	-	(37)	(37)
	-	-	-	-	(37)	(37)
<b>Balance as at 30 June 2019</b>	<b>67,801</b>	<b>(61,269)</b>	<b>(1,874)</b>	<b>4,658</b>	<b>22</b>	<b>4,680</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)**  
**FOR THE FINANCIAL PERIOD ENDED 30 June 2020 (Cont'd)**

	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>Company</b>				
Balance as at 1 January 2020	67,801	89	(63,755)	4,135
Total comprehensive loss for the financial period	-	-	(406)	(406)
<b>Balance as at 30 June 2020</b>	<b>67,801</b>	<b>89</b>	<b>(64,161)</b>	<b>3,729</b>
Balance as at 1 January 2019	67,301	50	(62,768)	4,583
Issuance of ordinary shares of the Company	500	-	-	500
ESOS expenses	-	20	-	20
Total comprehensive loss for the financial period	-	-	(151)	(151)
<b>Balance as at 30 June 2019</b>	<b>67,801</b>	<b>70</b>	<b>(62,919)</b>	<b>4,952</b>

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.

	Number of Shares '000	Share Capital S\$'000
Issued and fully paid: <b>Net share capital as at 31 December 2019 and 30 June 2020</b>	<b>16,674,767</b>	<b>67,801</b>

There were no changes in the Company's share capital for the financial period ended 30 June 2020 since the end of the previous financial period reported on.

#### Convertible Securities

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:

- RCB Conversion Shares:

	Number of Shares '000	Estimated Proceeds S\$'000
New RCB Conversion Shares to be allotted and issued upon conversion of redeemable convertible bonds issued as at HY2020, assuming conversion at the minimum conversion price of S\$0.0009 per RCB Conversion Share	555,556	500

As at the date of this announcement, the Company has fully redeemed the RCBs in the principal amount of S\$500,000 and no RCBs remain outstanding. For the avoidance of doubt, the RCB Conversion Shares stated in the above table are for illustrative purposes only. (Please refer to the note entitled "2% redeemable convertible bonds ("RCBs") with an aggregate principal amount of up to S\$60,000,000" on page 14 of this announcement for further details.)

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

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

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

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

- Option Shares:

Under the option agreement dated 11 February 2016, the Company had issued transferable share options to Lim In Chong (the "**Investor**") with such options carrying the right to subscribe for up to 5,000,000,000 option shares ("**Option Shares**") in the Company at a minimum exercise price of S\$0.001, of which the Company will raise an amount of up to S\$5,000,000.

The Company had on 1 April 2019 received notice of the transfer by the Investor of 500,000,000 Options (the "**Transferred Options**") to Shamsol Jeffri Bin Zainal Abidin (the "**Transferee**"). Following the transfer of the Transferred Options, the Investor held 4,500,000,000 remaining Options. The Company had on the same day received notice from the Transferee of his intention to exercise all of the Transferred Options for the total sum of S\$500,000 (the "**Exercise Price**" or "**Option Proceeds**").

The Company had, on 19 April 2019, received the Exercise Price in full from the Transferee and accordingly, the Company had allotted and issued 500,000,000 new shares ("**New Shares**"), representing 2.99% of the enlarged share capital of the Company on the date of allotment, to the Transferee on 22 April 2019 pursuant to the exercise of the Transferred Options under the Option Agreement.



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. (Cont'd)

**Convertible Securities (Cont'd)**

- Option Shares: (Cont'd)

As announced by the Company on 25 April 2020, the 4,500,000,000 outstanding Options which remained unexercised as at the date of the announcement have expired and became null and void pursuant to the Option Agreement. (Please refer to the note entitled "Grant of Options Shares to an Investor" on page 14 & 15 of this announcement for further details.)

There were no treasury shares or subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

	As at HY2020	As at FY2019
Total number of issued shares excluding treasury shares ('000)	16,674,767	16,674,767

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

1(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. There are no treasury shares.

1(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. There are no subsidiary holdings.

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements)) or 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 qualifications or emphasis of 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 2019, the Company's auditors were unable to obtain sufficient appropriate audit evidence with respect to (i) the amounts of cash flows that can be received by the Group and the Company from the shares pledged and the personal guarantee on the consideration due to the Company from the disposal of GPE Power Systems (M) Sdn. Bhd. which amounted to \$1,212,000 as at 31 December 2019 and (ii) no allowance for impairment loss required with respect to the loan to, and an amount due, from a former subsidiary which amounted to \$2,666,000.

In respect of the above, the Company sought to address the auditors' concerns by obtaining an additional form of security in the Controlled Shares from Chong Shin Mun (the "Purchaser") in lieu of cash payment, which are to be sold and the proceeds applied as payment for the outstanding consideration in accordance with the agreed payment schedule. On 27 June 2019, the Company had entered into the definitive agreements with the Purchaser under which the Purchaser granted certain rights of control and sale to the Company in respect of the 697,330,000 Controlled Shares. On 13 August 2019, 3 October 2019, 26 November 2019 and 4 March 2020, the Company had completed the transfer of a total of 470,000,000 Controlled Shares to Shamsol Jeffri Bin Zainal Abidin for a consideration of S\$470,000 (the "Consideration"). The Consideration has been fully paid to the Company and shall be applied towards the partial discharge of the amount outstanding under the Third Tranche Consideration of S\$600,000 plus accrued interest of S\$17,556.14 ("Third Tranche Outstanding Amount") pursuant to the Share Charge and Control Deed. As at the date of this announcement, the Third Tranche Outstanding Amount is S\$149,726.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (cont'd)**

**(a) updates on the efforts taken to resolve each outstanding audit issue. (cont'd)**

With regards to the Fourth Tranche Consideration, the Company had on 23 June 2020 entered into Settlement Definitive Agreements to, *inter alia*, provide the Purchaser up to 28 August 2020 to pay the outstanding amount to the Company and to procure Seri Beskaya Sdn. Bhd ("SBSB") to assign unto the Company 50% of the rights, title, interest, benefits, advantages and remedies which SBSB may have, in, under or arising out of the sale of all or any of the production lines owned by SBSB currently housed in the factory lot located at Lot No PT16944, Mukim of Hulu Bernam Timur, District of Batang Padang, Perak (including all sales proceeds thereof and monies payable or to become payable to SBSB under the sale). So long as the Company does not receive cash payment equivalent to the outstanding amounts in full under the Settlement Definitive Agreements or Security Documents, the Guarantor and the Purchaser shall grant to the Company a put option to require the Guarantor and/or the Purchaser to purchase from the Company, the Charged Shares transferred to and held by the Company following enforcement of the Share Charge.

Please refer to the Company's announcement dated 23 June 2020 for further details. The total amount outstanding from the Purchaser as at the date of this announcement is S\$1,215,083.

**(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.**

The Group adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to the most recently audited financial statements for the financial year ended 31 December 2019.

**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.**

There are no changes in the accounting policies and methods of computation during HY2020.

**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.**

	Group	
	HY2020	HY2019
Loss per share based on the weighted average number of shares on issue (in cents):		
- basic loss per share (Note (a))	(0.0019)	(0.0002)
- diluted loss per share (Note (b))	(0.0019)	(0.0001)

**Notes:**

- (a) Basic loss per share for HY2020 was calculated by dividing the loss attributable to equity holders of the Company of S\$313,000 (HY2019: S\$26,000) by the weighted average number of shares for HY2020 of 16,674,767,048 (HY2019: 16,376,424,507).
- (b) Diluted loss per share for HY2020 was calculated by dividing the loss attributable to equity holders of the Company of S\$313,000 (HY2019: S\$26,000) by the weighted average number of shares for HY2020 of 16,717,267,048 (HY2019: 20,876,424,507). The HY2019 diluted loss per share differs from the disclosure in the HY2019 financial results announcement dated 14 August 2019 due to an inadvertent omission of the share options held by Lim In Chong in the calculation.

**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.**

	Group		Company	
	HY2020	FY2019	HY2020	FY2019
Net asset value per Share based on the issued Shares at the end of the financial period reported on (in cents)	0.024	0.026	0.022	0.025

Net asset value per ordinary share of the Group as at HY2020 was calculated by dividing the Group's net asset value attributable to equity holders as at HY2020 of S\$4,013,000 (FY2019: S\$4,323,000) divided by the number of ordinary shares of the Company as at HY2020 of 16,674,767,048 (FY2019: 16,674,767,048).

Net asset value per ordinary share of the Company as at HY2020 was calculated by dividing the Company's net asset value attributable to equity holders as at HY2020 of S\$3,729,000 (FY2019: S\$4,135,000) divided by the number of ordinary shares of the Company as at HY2020 of 16,674,767,048 (FY2019: 16,674,767,048).

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

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

#### **STATEMENT OF COMPREHENSIVE INCOME**

##### Revenue and Gross Profit

The Group posted revenue of S\$5,560,000 in HY2020 which was an increase of S\$969,000 or 21% from S\$4,591,000 in HY2019, primarily due to higher revenue contribution arising from the oil and gas equipment business segment.

The Group's gross profit decreased by S\$113,000 or 8% from S\$1,370,000 in HY2019 to S\$1,257,000 in HY2020. The Group reported gross margin of 23% in HY2020 which was a decrease of 7% from 30% in HY2019. Both decreases in gross profit and gross profit margin are mainly due to lower gross profit margin from the oil and gas equipment business segment.

##### Other income

There is a decrease of S\$173,000 in other income from S\$541,000 in HY2019 to S\$368,000 in HY2020. In HY2019, other income comprised mainly a gain from the disposal of a motor vehicle, a one-off gain arising from the settlement of the outstanding amount under the LionGold Loan, and commission income received. By comparison, in HY2020, other income comprised mainly amounts under the Job Support Scheme received from the Singapore government and a gain on currency exchange.

##### Interest income

The increase in interest income in HY2020 of S\$7,000, from S\$103,000 in HY2019 to S\$110,000 in HY2020, represents a marginal variance.

##### Selling and distribution expenses

The decrease in selling and distribution expenses in HY2020 of S\$7,000, from S\$112,000 in HY2019 to S\$105,000 in HY2020, represents a marginal variance.

##### Administrative and general expenses

The Group incurred administrative and general expenses of S\$1,990,000 in HY2020, an increase of S\$126,000 from S\$1,864,000 reported in HY2019, mainly due to higher professional fees incurred by the engineering services business segment in HY2020. The Group continues to closely monitor expenses by implementing cost-cutting measures and budget spending.

##### Other expenses

Other expenses decreased by S\$1,000 from S\$2,000 in HY2019 to S\$1,000 in HY2020 mainly due to fair value loss in shares during HY2020.

##### Finance costs

Finance costs primarily arise from interest expenses on borrowings and leases. The increase of S\$9,000 from S\$13,000 in HY2019 to S\$22,000 in HY2020 was mainly due to interest expenses incurred on a loan in HY2020.

##### Loss for the financial period

The Group reported a loss for the financial period of S\$383,000 in HY2020 as compared to the profit of S\$23,000 in HY2019. The loss is mainly due to lower contributions from gross profit and other income, coupled with higher administrative and general expenses, and finance costs, as explained above.

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

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

#### **STATEMENT OF FINANCIAL POSITION**

##### Current assets

Current assets of the Group amounted to S\$6,508,000 as at HY2020, an increase of S\$74,000 from S\$6,434,000 as at FY2019, primarily due to the increase in cash and bank balances and inventories, partially offset by lower trade and other receivables.

##### Non-current assets

The Group's non-current assets increased by S\$46,000 from S\$3,085,000 as at FY2019 to S\$3,131,000 as at HY2020 mainly due to higher trade and other receivables.

##### Current liabilities

The Group reported current liabilities of S\$5,300,000 as at HY2020, which was an increase of S\$567,000 from S\$4,733,000 as at FY2019. This was mainly due to higher contract liabilities and trade and other payables, offset against settlement of RCBs redemption.

##### Non-current liabilities

There was a decrease in the Group's non-current liabilities of S\$67,000 from S\$403,000 as at FY2019 to S\$336,000 as at HY2020 as a result of lower trade and other payables and lease liabilities.

##### Shareholders' equity

The Group's capital and reserves attributable to equity holders of the Company was S\$4,013,000 as at HY2020. This was a decrease of S\$310,000 from S\$4,323,000 as at FY2019 mainly as a result of losses incurred during HY2020.

#### **STATEMENT OF CASH FLOWS**

Net cash generated from operating activities amounted to S\$195,000 in HY2020. The net operating cash outflow was mainly due to operating profit before working capital changes of S\$38,000, adjusted for working capital outflows of S\$552,000, which were mainly attributable to an increase in inventories of S\$786,000, increase in payables and contract liabilities of S\$559,000, and decrease in trade and other receivables of S\$808,000.

Net cash used in investing activities in HY2020 amounted to S\$18,000, mainly due to payments to acquire property, plant and equipment, and proceeds from the sales of property, plant and equipment, which amounted to S\$49,000 and S\$29,000 respectively.

Net cash used in financing activities in HY2020 amounted to S\$144,000. These were mainly arising from proceeds of borrowing of S\$138,000, which were offset against repayment of borrowings and lease liabilities of S\$282,000.

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

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

#### **MATTERS ARISING DURING 2020**

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

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

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

The HGR Consideration shall be satisfied by:

- (i) S\$2,600,000 through promissory notes repayable within six (6) months from the completion date (or such other later date as may be mutually agreed in writing between the Company the vendors), bearing an interest of 8% per annum; and
- (ii) S\$1,600,000 by way of the allotment and issue to the vendors of newly paid up Shares of the Company ("the "**HGR Consideration Shares**") upon the completion date at S\$0.001 per HGR Consideration Shares.

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

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

On 26 March 2018, the Company and the HGR Vendors have mutually agreed to terminate the Proposed HGR Acquisition pursuant to a deed of termination. On the same day, the Company announced that it had entered into a non-binding memorandum of understanding with each of the HGR Vendors, being Awang Ahmad Sah and Kok Mun Keong, to acquire an aggregate of 4,023,300 ordinary shares representing approximately 25.79% of the issued and paid-up share capital of Green PlusLink Sdn Bhd for a total consideration of S\$4,200,000 ("**MOU**").

As at the latest practicable date, there has been no further material development on this matter. The Company will continue to review this matter from time to time and make the necessary announcements as appropriate or when there are further developments on the same.

##### 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 and 9 June 2020 in relation to the Pilot Project entered into between the Company's subsidiary, HT Energy (S) Sdn. Bhd. ("**HTES**") and Sarawak State Health Department ("**SSH**D") under the Ministry of Health, Malaysia, the Board has progressively updated the shareholders on the latest milestones of the Pilot Project.

The project team had conducted a Factory Acceptance Test ("**FAT**") in June 2019. The FAT was concluded in early July 2019 and the results were generally positive. The project team had requested to retrofit additional components to mitigate potential operational issues arising from tropical climate conditions. The second FAT, which was an extension of the previous FAT ended early July 2019, had been successfully conducted on 16 August 2019.

By way of an update, the Company wishes to inform that the pilot module has been successfully installed at the pilot site. The pilot study which was initially scheduled to commence in July 2020 had been inadvertently affected by delays in the testing and commissioning ("T&C") of the pilot module, which required both our in-house technical team from Singapore and the Chinese technicians from our manufacturer to be present on-site in order to perform the T&C. Due to the COVID19 situation, foreign nationals travelling into Malaysia has been banned. Similarly, our Kuching based project team also faced travel restrictions due to inter-district restrictions imposed. As a result, the Project team has sought alternative arrangements to overcome the situation by engaging and working with local engineers to perform the T&C under remote guidance. This new arrangement is time consuming as the local engineer would have to be trained and guided remotely via video calls. Pursuant to that, the Pilot Study is expected to commence in late September 2020 and run for a further 3 months, subject to any restrictions under the COVID-19 Movement Control Order regulations imposed by the Malaysian government.

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

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

#### MATTERS ARISING DURING 2020 (Cont'd)

##### 2% redeemable convertible bonds ("RCBs") with an aggregate principal amount of up to S\$60,000,000

As announced on the SGXNet on 24 December 2018 and 2 January 2019, the Parties have agreed under a second supplemental agreement (the "**Second Supplemental Agreement**") that the date(s) for redemption of the outstanding RCBs under Conditions 10.2 and 10.4 of Schedule 4 (Terms and Conditions of the Bonds) of the Subscription Agreement dated 31 July 2015 would be further extended in accordance with the following schedule in order to improve the short-term cash flow of the Company:

- (a) the first tranche in the principal amount of S\$250,000 (the "**First Tranche RCBs**") up to 28 February 2019; and
- (b) the second tranche in the principal amount of S\$500,000 (the "**Second Tranche RCBs**") up to 31 March 2020,

(each an "**Extended Redemption Date**").

Accordingly, unless previously redeemed or purchased, converted or cancelled by the Company, the Company shall, by each of the Extended Redemption Dates, redeem the stipulated principal amounts of the outstanding RCBs together with unpaid accrued interest thereon (calculated up to, but excluding, the date of redemption).

The Company subsequently redeemed the First Tranche RCBs in full on 28 February 2019 as the Subscriber had not exercised its conversion right in respect of the same.

On 31 March 2020, the Company entered into a letter agreement with the Subscriber and the Manager to further amend the Subscription Agreement by, *inter alia*, further extending the redemption date of the Second Tranche RCBs to 31 May 2020. On 3 June 2020, the Subscriber further agreed to allow the Company until 12 June 2020 to redeem the outstanding Second Tranche RCBs. On 12 June 2020, the Company redeemed a portion of the outstanding Second Tranche RCBs in principal amount of S\$100,000.

On 16 June 2020, the Company, Subscriber and Manager, via a letter agreement, further agreed that the redemption date for the outstanding Second Tranche RCBs in principal amount of S\$400,000 would be further extended as follows:

- a) on or before 30 June 2020, the Company shall redeem the principal amount of S\$150,000; and
- b) on or before 31 July 2020, the Company shall redeem the principal amount of S\$250,000.

The Company has fully redeemed the remaining Second Tranche RCBs in principal amount of S\$400,000 as at the date of this announcement and no RCBs remain outstanding.

##### Receipt of Writ of Summons

On 22 February 2019, the Company received a demand letter from the Company subsidiary's former employee, Mr. Edwin Sugiarto ("**Mr. Sugiarto**"), who was represented by his solicitors, for the sum of S\$416,784, made up of several items, being wages, medical and expenses claims and a payment for a non-compete undertaking claim arising out of his cessation of employment with the Company (please refer to Annual Report 2019 Note 38 - Contingent Liabilities for further details). Subsequently, the Company had on 12 June 2019 been served with a writ of summons, endorsed with a statement of claim, under which Mr. Sugiarto claimed for an amount of S\$416,784, together with costs and interests up to the date of full settlement (the "**Suit**").

On 1 April 2020, the Company had entered into a settlement agreement (the "**Settlement Agreement**") with Mr. Sugiarto for the full and final settlement of the Suit commenced by Mr. Sugiarto in relation to his employment agreement in writing dated 1 January 2016 and shall, pursuant to the Settlement Agreement, pay him a sum of S\$300,000 by way of equal monthly instalments, over a period of 21 months, with the first instalment in the sum of S\$14,285.71 commencing 1 April 2020.

##### Grant of Options Shares to an Investor

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

The Company had on 1 April 2019 received notice of the transfer by the Investor of 500,000,000 Options (the "**Transferred Options**") to Shamsol Jeffri Bin Zainal Abidin (the "**Transferee**"). Following the transfer of the Transferred Options, the Investor held 4,500,000,000 remaining Options. The Company had on the same day received notice from the Transferee of his intention to exercise all of the Transferred Options for the total sum of S\$500,000 (the "**Exercise Price**" or "**Option Proceeds**").

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

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

#### MATTERS ARISING DURING 2020 (Cont'd)

##### Grant of Options Shares to an Investor (Cont'd)

On 19 April 2019, the Company had received the Exercise Price in full from the Transferee and accordingly allotted and issued 500,000,000 new shares ("**New Shares**"), representing 2.99% of the enlarged share capital of the Company on the date of allotment, to the Transferee on 22 April 2019 pursuant to his exercise of the Transferred Options.

As at the date of this announcement, the utilisation of the above Option Proceeds in FY2019 is as follows:

Purpose	Amount S\$'000	Percentage of Option Proceeds %
Funding for new business expansions and development	59	12
Group's general working capital (Note (a))	441	88
Total	500	100

Notes:

- (a) Funds used for the Group's general working capital were for payments to suppliers and operating expenses including staff salaries and professional fees.

The use of the above Option Proceeds is consistent with the use of proceeds for the Option Shares as disclosed in the Company's circular to Shareholders dated 12 July 2016. As announced by the Company on 25 April 2020, the 4,500,000,000 outstanding Options which remained unexercised as at the date of the announcement have expired and became null and void pursuant to the Option Agreement.

##### Non-Binding Memorandum of Understanding with Perbadanan Kemajuan Negeri Perak

The Group had, on 18 June 2019, entered into the following non-binding Memorandum of Understanding ("**MOUs**") with Perbadanan Kemajuan Negeri Perak ("**PKNP**");

- (a) a tripartite MOU between PKNP, Majuperak Holdings Berhad ("**MHB**") and Cahya Suria Energy Sdn. Bhd ("**CSE**"), a wholly-owned subsidiary of the Company (the "**CSE MOU**"); and
- (b) a MOU between PKNP and P.J. Services Pte. Ltd. ("**PJS**"), a wholly-owned subsidiary of the Company (the "**PJS MOU**").

PKNP is the state economic development corporation entrusted to spearhead the economic development and socio-economic growth in the State of Perak. PKNP also has access to supplies of mining sand, granite, granite aggregates, minerals and other natural resources from Perak (the "**Products**").

MHB is an investment holding company listed on the Main Board of Bursa Malaysia and plays a leading role in property development focusing on the housing sector and realty business within the bigger PKNP Group. PKNP is also the largest shareholder in MHB. MHB has also diversified its business into the renewable energy sector.

The purpose of the CSE MOU is for the parties to collaborate on the development of 'Large Scale Solar Photovoltaic' Projects ("**LSS Projects**") in the State of Perak. The parties have identified an initial site suitable for a proposed 35MW capacity LSS Project (approximately 3.3 acres/MW), and will continue to collaborate in the future to identify and evaluate other potential sites for the development of other LSS Projects. For the purpose of implementing the co-operation under the CSE MOU, the parties may enter into legally binding definitive agreement(s), subject to terms and conditions to be mutually agreed upon by the parties.

Under the PJS MOU, PKNP shall endeavour to enter into supply contracts (the "**Supply Contract(s)**") with PJS and its customers (the "**Customers**"), under which PKNP shall source for and supply the Products to the Customers, subject to terms and conditions to be mutually agreed upon by the parties. PKNP has also agreed to arrange all necessary export permits for such Products. As at the date of this announcement, PJS is negotiating the supply contract with PKNP.

The collaboration between the parties under the MOU and Framework Agreement is intended to boost the Group's business in the renewable energy sector and also allow the Group to gain a valuable toehold, and to explore other business opportunities, such as the supply of the Products, in the State of Perak.

On 3 June 2020, CSE and Majuperak Energy Resources Sdn. Bhd., a wholly-owned subsidiary of Majuperak Holdings Bhd, have entered into a framework agreement to collaborate on the development of Large Scale Solar Photovoltaic projects in the State of Perak totalling up to 100MW capacity (the "**Framework Agreement**").

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

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

#### **MATTERS ARISING DURING 2020 (Cont'd)**

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

Reference is made to the Company's announcements made 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 and 23 June 2020 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 over the Controlled Shares entered into between the Company and the Purchaser;
- (c) the Power of Attorney granted by the Purchaser to the Company over the Controlled Shares; and
- (d) the service of the Letters of Demand on the Purchaser and Tan Yock Chew (the "**Guarantor**"), (the "**Earlier Announcements**").

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

On 27 June 2019, the Company had entered into definitive agreements with the Purchaser under which the Purchaser granted certain rights of control and sale to the Company in respect of the 697,330,000 Controlled Shares. Subsequently, on 13 August 2019, 3 October 2019, 26 November 2019 and 4 March 2020, the Purchaser has completed the transfer of a total of 470,000,000 Controlled Shares to Shamsol Jeffri Bin Zainal Abidin for a consideration of S\$470,000 (the "**Consideration**"). The Consideration has been fully paid to the Company and shall be applied towards the discharge of the Third Tranche Outstanding Amount pursuant to the Share Charge and Control Deed. As at the date of this announcement, the Third Tranche Outstanding Amount is S\$149,726.

The Company had on 23 June 2020 entered into the following Settlement Definitive Agreements:

- a) a Settlement Definitive Agreement entered into between the Company, the Purchaser and the Guarantor (the "**Definitive Settlement Agreement**"); and
- b) a Deed of Assignment executed by Seri Beskaya Sdn. Bhd. in favour of the Company.

Amongst other things, the Settlement Definitive Agreements provide the Purchaser up to 28 August 2020 to pay the outstanding amount to the Company and to procure Seri Beskaya Sdn. Bhd ("**SBSB**") to assign unto the Company 50% of the right, title, interest, benefits, advantages and remedies which SBSB may have, in, under or arising out of the sale of all or any of the production lines owned by SBSB currently housed in the factory lot located at Lot No PT16944, Mukim of Hulu Bernam Timur, District of Batang Padang, Perak (including all sales proceeds thereof and monies payable or to become payable to SBSB under the sale). So long as the Company does not receive cash payment equivalent to the outstanding amounts in full under the Settlement Definitive Agreements or Security Documents, the Guarantor and the Purchaser shall grant to the Company a put option to require the Guarantor and/or the Purchaser to purchase from the Company, the Charged Shares transferred to and held by the Company following enforcement of the Share Charge. Please refer to the Company's announcement dated 23 June 2020 for further details.

The Company will make further announcements as appropriate or when the remainder of the Controlled Shares have been disposed of, whether in part or in full.

#### **OTHER MATTERS**

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

Further to the Company's announcements on 4 April 2014 and 29 April 2014 relating to the CAD's investigations, on 3 February 2020, the CAD confirmed to our auditors that its investigations are on-going. The business and operations of the Group are not affected by the investigations and will continue as normal. However, the ongoing investigations have cast a negative outlook on the Company from the perspective of the financial institutions which are highly risk averse and this poses limitations to the Group's growth and expansion plans. The Company will make further announcements as and when there are material developments concerning this matter.



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

The Group's HY2020 operating results were generally in line with the expectations as previously disclosed in the Company's FY2019 annual report.

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

At the time of writing, 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 highly volatile. The economic fallout from the ongoing COVID19 pandemic continues to unfold and risks of disruption in the Group's supply chains and businesses remain uncertain and high. In addition, the ratcheting of tensions over US-China relations is casting considerable uncertainty and risks, and may adversely affect the Group, especially in the Group's oil & gas equipment segment, as our supplies mostly originate from the USA. Likewise, our engineering services segment risks disruptions in their supply chains which are located in China and Spain, and its operations may be adversely impacted. Meanwhile, the Group's planned timelines for its renewable energy projects, which are primarily linked with the Government of Malaysia, has also been hindered by the continuing political instability which is compounded by movement restrictions arising from COVID-19 in that country. The Group continues to monitor and mitigate these risks wherever possible, though, *inter alia*, the diversification of our supply chains to include multiple suppliers from different geographical areas and/or jurisdictions and exploring other geographical markets to implement our renewable energy business apart from Malaysia. In addition, the Group will continue to exercise prudent cost control measures while seeking fresh funding to sustain its current operations as well as to carry new projects in the Renewable segment. As aforementioned, the situation is still very fluid and developing, and we continue to remain vigilant of these factors and will continue to provide constant updates if and when any material developments occur. As previously disclosed, the Group's diversification to the renewable energy sector is intended to provide the Company with a new revenue stream and broaden the Group's earning base.

**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 HY2019.

**(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 current financial period as the Group is currently not profit-making.

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

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

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or the Company during the financial period ended 30 June 2020.

**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.**

Please refer to the note entitled "Grant of Options Shares to an Investor" on page 14 & 15 of this announcement for further details. Except as already disclosed in this announcement, there were no other outstanding proceeds.

**15. Confirmation pursuant to Rule 705(5) of the Listing Manual.**

We, Sandra Liz Hon Ai Ling and Su Jun Ming, on behalf of the Directors of Annica Holdings Limited (the “**Company**”), do hereby confirm that to the best of our knowledge, nothing has come to the attention of the Directors of the Company which may render the unaudited consolidated financial results for the six-month financial period ended 30 June 2020 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD  
ANNICA HOLDINGS LIMITED**

**Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer**

**Su Jun Ming  
Lead Independent and Non-Executive Director**

**13 August 2020**