

## **ANNICA HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304025N)

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### **VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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The Board of Directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Unaudited Full Year Financial Statements and Dividend Announcement (the “**Unaudited Financial Statements**”) for the financial year ended 31 December 2021 (“**FY2021**”) released by the Company on 25 February 2022.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Board wishes to announce that upon completion of the audit of the financial statements of the Group and of the Company for FY2021 by the Company’s independent auditor, PKF-CAP LLP (the “**Audited Financial Statements**”), adjustments and reclassifications are made to the Audited Financial Statements and the details of which are as follows:

Statement of Financial Position as at 31 December 2021	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
GROUP	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	415	437	(22)	1
Right-of-use assets	459	502	(43)	2
Intangible assets	36	41	(5)	
Financial assets at fair value through profit or loss	3	3	-	
	913	983	(70)	
<b>Current assets</b>				
Cash and cash equivalents	736	731	5	
Fixed deposits	654	654	-	
Trade and other receivables	6,685	5,592	1,093	3-9
Inventories	549	900	(351)	6,9,10-12
	8,624	7,877	747	
<b>Total assets</b>	<b>9,537</b>	<b>8,860</b>	<b>677</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	1,036	1,026	10	
Provision for employee benefits	94	94	-	
Deferred tax liabilities	22	22	-	
	1,152	1,142	10	
<b>Current liabilities</b>				
Trade and other payables	4,679	4,319	360	4,11,12, 13-15
Contract liabilities	985	533	452	5,7
Borrowings	704	714	(10)	
Tax payable	3	3	-	
	6,371	5,569	802	
<b>Total liabilities</b>	<b>7,523</b>	<b>6,711</b>	<b>812</b>	
<b>Net assets</b>	<b>2,014</b>	<b>2,149</b>	<b>(135)</b>	
<b>EQUITY</b>				
Share capital	67,801	67,801	-	
Accumulated losses	(63,929)	(63,815)	(114)	
Other reserves	(1,823)	(1,815)	(8)	
Equity attributable to equity holders of the Company	2,049	2,171	(122)	
Non-controlling interests	(35)	(22)	(13)	
<b>Total equity</b>	<b>2,014</b>	<b>2,149</b>	<b>(135)</b>	

Statement of Financial Position as at 31 December 2021	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
COMPANY	\$'000	\$'000	\$'000	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	86	86	-	
Right-of-use assets	116	116	-	
Investments in subsidiaries	1,892	2,151	(259)	16
Trade and other receivables	223	223	-	
	2,317	2,576	(259)	
<b>Current assets</b>				
Cash and cash equivalents	65	65	-	
Trade and other receivables	3,592	3,590	2	
Financial assets at fair value through profit or loss	96	96	-	
	3,753	3,751	2	
<b>Total assets</b>	<b>6,070</b>	<b>6,327</b>	<b>(257)</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	96	96	-	
	96	96	-	
<b>Current liabilities</b>				
Trade and other payables	4,620	4,608	12	13
Borrowings	186	186	-	
	4,806	4,794	12	
<b>Total liabilities</b>	<b>4,902</b>	<b>4,890</b>	<b>12</b>	
<b>Net assets</b>	<b>1,168</b>	<b>1,437</b>	<b>(269)</b>	
<b>EQUITY</b>				
Share capital	67,801	67,801	-	
Accumulated losses	(66,722)	(66,453)	(269)	
Other reserves	89	89	-	
<b>Total equity</b>	<b>1,168</b>	<b>1,437</b>	<b>(269)</b>	

Consolidated Statement of Profit or Loss for the Financial Year ended 31 December 2021	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Revenue	7,655	7,699	(44)	7
Cost of sales	(5,147)	(5,186)	39	12
<b>Gross profit</b>	<b>2,508</b>	<b>2,513</b>	<b>(5)</b>	
Other income	436	428	8	6,13
Interest income	225	225	-	
Selling and distribution expenses	(109)	(109)	-	
Administrative and general expenses	(3,933)	(3,888)	(45)	14,15
Other expenses	(97)	(27)	(70)	1,2,10,13
Impairment losses on trade and other receivables	(21)	-	(21)	3
Finance costs	(49)	(43)	(6)	15
<b>Loss before tax</b>	<b>(1,040)</b>	<b>(901)</b>	<b>(139)</b>	
Tax expense	(90)	(99)	9	8
<b>Loss for the financial year</b>	<b>(1,130)</b>	<b>(1,000)</b>	<b>(130)</b>	
<b>Other comprehensive loss</b> <i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation	(74)	(74)	-	
<b>Other comprehensive loss for the financial year, net of tax</b>	<b>(74)</b>	<b>(74)</b>	<b>-</b>	
<b>Total comprehensive loss for the financial year</b>	<b>(1,204)</b>	<b>(1,074)</b>	<b>(130)</b>	
<b>Loss attributable to:</b>				
- Equity holders of the Company	(1,095)	(981)	(114)	
- Non-controlling interests	(35)	(19)	(16)	
<b>Loss for the financial year</b>	<b>(1,130)</b>	<b>(1,000)</b>	<b>(130)</b>	
<b>Total comprehensive loss attributable to:</b>				
- Equity holders of the Company	(1,169)	(1,055)	(114)	
- Non-controlling interests	(35)	(19)	(16)	
<b>Total comprehensive loss for the financial year</b>	<b>(1,204)</b>	<b>(1,074)</b>	<b>(130)</b>	

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2021	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
<b>Cash flows from operating activities</b>				
Loss before tax	(1,040)	(901)	(139)	
Adjustments for:				
Depreciation of property, plant and equipment	194	194	-	
Depreciation of right-of-use assets	234	234	-	
Fair value loss on financial assets at fair value through profit or loss	5	5	-	
Loss on disposal of property, plant and equipment	5	5	-	
Impairment losses on trade and other receivables	21	-	21	
Impairment losses on property, plant and equipment and right-of-use assets	65	-	65	
Bad debts recovered	(30)	(31)	1	
Inventories written off	6	-	6	
Interest expenses	49	43	6	
Interest income	(225)	(225)	-	
Operating cash flows before working capital changes	<b>(716)</b>	<b>(676)</b>	<b>(40)</b>	
Changes in working capital:				
Inventories	(19)	(364)	345	
Payables and contract liabilities	700	(107)	807	
Receivables	57	1,162	(1,105)	
Currency translation adjustments	(77)	(71)	(6)	
<b>Cash used in operations</b>	<b>(55)</b>	<b>(56)</b>	<b>1</b>	
Income tax paid	(139)	(139)	-	
<b>Net cash used in operating activities</b>	<b>(194)</b>	<b>(195)</b>	<b>1</b>	
<b>Cash flows from investing activities</b>				
Interest received	11	11	-	
Purchase of property, plant and equipment	(52)	(52)	-	
<b>Net cash used in investing activities</b>	<b>(41)</b>	<b>(41)</b>	<b>-</b>	
<b>Cash flows from financing activities</b>				
Interest paid for bank loans	(35)	(35)	-	
Interest paid for lease liabilities	(8)	(8)	-	
Interest paid for third party	(12)	(12)	-	
Placement of fixed deposit pledged	(13)	(13)	-	
Proceeds from borrowings	188	188	-	
Repayment of principal portion of borrowings	(247)	(247)	-	
Repayment of principal portion of lease liabilities	(203)	(207)	4	
<b>Net cash used in financing activities</b>	<b>(330)</b>	<b>(334)</b>	<b>4</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>(565)</b>	<b>(570)</b>	<b>5</b>	
Cash and cash equivalents at beginning of the financial year	1,301	1,301	-	
<b>Cash and cash equivalents at end of the financial year</b>	<b>736</b>	<b>731</b>	<b>5</b>	

## Explanatory Notes:

1. "Impairment losses on property, plant and equipment" of \$22,000 was recognised in "Other expenses" in the Statement of Profit or Loss of the Group and "Non-current assets – Property, plant and equipment" in the Statement of Financial Position of the Group.
2. "Impairment losses on right-of-use assets" of \$43,000 was recognised in "Other expenses" in the Statement of Profit or Loss of the Group and "Non-current assets – Right-of-use assets" in the Statement of Financial Position of the Group.
3. "Impairment losses on trade and other receivables" of \$21,000 was recognised in "Impairment losses on trade and other receivables" in the Statement of Profit or Loss of the Group and "Current assets – Trade and other receivables" in the Statement of Financial Position of the Group.
4. Adjustment of "Unbilled invoice" of \$576,000 in "Current assets – Trade and other receivables" and "Current liabilities – Trade and other payables" in the Statement of Financial Position of the Group.
5. Adjustment of "Contract liabilities" of \$462,000 in "Current assets – Trade and other receivables" and "Current liabilities – Contract liabilities" in the Statement of Financial Position of the Group.
6. "Currency exchange difference" of \$6,000 was recognised in "Other income" in the Statement of Profit or Loss of the Group and "Current assets – Trade and other receivables" and "Current assets – Inventories" in the Statement of Financial Position of the Group.
7. "Revenue" of \$44,000 was recognised in "Revenue" in the Statement of Profit or Loss of the Group and "Current assets - Trade and other receivables" and "Current Liabilities – Contract liabilities" in the Statement of Financial Position of the Group.
8. "Tax recoverable" of \$9,000 was reversed from "Tax expense" in the Statement of Profit or Loss of the Group to "Current assets - Trade and other receivables" in the Statement of Financial Position of the Group.
9. Reclassification of "Deposit to supplier" of \$139,000 from "Current assets – Inventories" to "Current assets - Trade and other receivables" in the Statement of Financial Position of the Group.
10. "Inventories written off" of \$6,000 was recognised in "Other expenses" in the Statement of Profit or Loss of the Group and "Current assets - Inventories" in the Statement of Financial Position of the Group.
11. Adjustment of "Good-in-transit" of \$225,000 in "Current assets – Inventories" and "Current liabilities – Trade and other payables" in the Statement of Financial Position of the Group.
12. "Purchase of goods" of \$39,000 reversed from "Cost of Sales" in the Statement of Profit or Loss of the Group to "Current assets - Inventories" and "Current Liabilities – Trade and other payables" in the Statement of Financial Position of the Group.
13. Adjustment of "Accrued expenses" of \$2,000 recognised in "Other income" and "Other expenses" in the Statement of Profit or Loss of the Group and "Current Liabilities – Trade and other payables" in the Statement of Financial Position of the Group and of the Company.
14. Adjustment of "Administrative expenses" of \$29,000 was recognised in "Administrative and general expenses" in the Statement of Profit or Loss of the Group and "Current Liabilities – Trade and other payables" in the Statement of Financial Position of the Group and of the Company.
15. Adjustment of "Employee expenses" of \$8,000 was recognised in "Administrative and general expenses" and "Finance costs" in the Statement of Profit or Loss of the Group and "Current Liabilities – Trade and other payables" in the Statement of Financial Position of the Group.
16. Adjustment of "Impairment loss on investment in subsidiary" of \$259,000 was recognised in the Statement of Profit and Loss of the Company and "Non-current assets – Investments in subsidiaries" in the Statement of Financial Position of the Company. No effect on Statement of Profit and Loss and Statement of Financial Position of the Group.

By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

13 June 2022

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*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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