

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304025N)

VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited condensed interim consolidated financial statements for the fourth quarter and the financial year ended 31 December 2022 (“**FY2022**”), as announced by the Company on 28 February 2023 (the “**Unaudited Financial Statements**”).

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 FY2022 by the Company’s independent auditors, PKF-CAP LLP (the “**Audited Financial Statements**”), certain adjustments and reclassifications are made to the Audited Financial Statements, the details of which are provided below.

[The disclosures continue on the page overleaf.]

Statement of Financial Position as at 31 December 2022	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
GROUP	\$'000	\$'000	\$'000	
ASSETS				
Non-current assets				
Property, plant and equipment	317	330	(13)	1
Right-of-use assets	321	321	-	
Intangible assets	36	36	-	
Investments in subsidiaries	-	-	-	
Financial assets at fair value through profit or loss	-	-	-	
Trade and other receivables	-	-	-	
	674	687	(13)	
Current assets				
Cash and cash equivalents	1,430	1,430	-	
Fixed deposits	473	473	-	
Trade and other receivables	11,947	7,540	4,407	7,8,9
Inventories	301	320	(19)	2
Financial assets at fair value through profit or loss	-	-	-	
	14,151	9,763	4,388	
Total assets	14,825	10,450	4,375	
LIABILITIES				
Non-current liabilities				
Borrowings	618	618	-	
Provision for employee benefits	71	71	-	
Deferred tax liabilities	16	16	-	
	705	705	-	
Current liabilities				
Trade and other payables	5,936	5,803	133	3,4,7,8,9
Contract liabilities	6,755	2,472	4,283	7
Borrowings	847	847	-	
Tax payable	-	-	-	
	13,538	9,122	4,416	
Total liabilities	14,243	9,827	4,416	
Net assets	582	623	(41)	
EQUITY				
Share capital	68,101	68,101	-	
Accumulated losses	(65,425)	(65,389)	(36)	
Other reserves	(2,041)	(2,041)	-	
Equity attributable to equity holders of the Company	635	671	(36)	
Non-controlling interests	(53)	(48)	(5)	
Total equity	582	623	(41)	

Statement of Financial Position as at 31 December 2022	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
COMPANY	\$'000	\$'000	\$'000	
ASSETS				
Non-current assets				
Property, plant and equipment	33	33	-	
Right-of-use assets	48	48	-	
Intangible assets	-	-	-	
Investments in subsidiaries	1,892	1,892	-	
Financial assets at fair value through profit or loss	-	-	-	
Trade and other receivables	-	-	-	
	1,973	1,973	-	
Current assets				
Cash and cash equivalents	46	46	-	
Fixed deposits	-	-	-	
Trade and other receivables	3,910	3,910	-	
Inventories	-	-	-	
Financial assets at fair value through profit or loss	-	-	-	
	3,956	3,956	-	
Total assets	5,929	5,929	-	
LIABILITIES				
Non-current liabilities				
Borrowings	6	6	-	
Provision for employee benefits	-	-	-	
Deferred tax liabilities	-	-	-	
	6	6	-	
Current liabilities				
Trade and other payables	5,859	5,859	-	
Contract liabilities	-	-	-	
Borrowings	105	105	-	
Tax payable	-	-	-	
	5,964	5,964	-	
Total liabilities	5,970	5,970	-	
Net assets	(41)	(41)	-	
EQUITY				
Share capital	68,101	68,101	-	
Accumulated losses	(68,231)	(68,231)	-	
Other reserves	89	89	-	
Net capital deficiency attributable to equity holders of the Company	(41)	(41)	-	
Non-controlling interests	-	-	-	
Total capital deficiencies	(41)	(41)	-	

Consolidated Statement of Profit or Loss for the Financial Year ended 31 December 2022	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Variance \$'000	Explanatory Note
Revenue	14,987	9,414	5,573	3,5,6
Cost of sales	(11,972)	(6,369)	(5,603)	2,5,6
Gross profit	3,015	3,045	(30)	
Other income	258	254	4	1,3,7,8
Interest income	209	209	-	
Selling and distribution expenses	(199)	(199)	-	
Administrative and general expenses	(4,622)	(4,629)	7	1,4
Other expenses	(56)	(34)	(22)	3,8
Impairment losses on trade and other receivables	(8)	(8)	-	
Finance costs	(247)	(247)	-	
Loss before tax from continuing operations	(1,650)	(1,609)	(41)	
Tax expense	(77)	(77)	-	
Loss for the financial year from continuing operations	(1,727)	(1,686)	(41)	
Profit for the financial year from discontinued operations	50	50	-	
Loss for the financial year	(1,677)	(1,636)	(41)	
Other comprehensive loss <i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation	(218)	(218)	-	
Other comprehensive loss for the financial year, net of tax	(218)	(218)	-	
Total comprehensive loss for the financial year	(1,895)	(1,854)	(41)	
Loss attributable to:				
- Equity holders of the Company	(1,496)	(1,460)	(36)	
- Non-controlling interests	(181)	(176)	(5)	
	(1,677)	(1,636)	(41)	
Loss attributable to: <i>Equity holders of the Company</i>				
- Loss from continuing operations	(1,546)	(1,510)	(36)	
- Profit from discontinued operations	50	50	-	
	(1,496)	(1,460)	(36)	
Total comprehensive loss attributable to:				
- Equity holders of the Company	(1,714)	(1,678)	(36)	
- Non-controlling interests	(181)	(176)	(5)	
	(1,895)	(1,854)	(41)	
Total comprehensive loss attributable to: <i>Equity holders of the Company</i>				
- Loss from continuing operations	(1,764)	(1,728)	(36)	
- Profit from discontinued operations	50	50	-	
	(1,714)	(1,678)	(36)	

Consolidated Statement of Cash Flows for the Financial Year ended 31 December 2022	Audited Financial Statements	Unaudited Financial Statements	Variance	Explanatory Note
	\$'000	\$'000	\$'000	
Cash flows from operating activities				
Loss before tax from continuing operations	(1,650)	(1,609)	(41)	
Profit before tax from discontinued operations	50	50	-	
	(1,600)	(1,559)	(41)	
Adjustments for:				
Depreciation of property, plant and equipment	195	200	(5)	
Depreciation of right-of-use assets	213	213	-	
Fair value loss on financial assets at fair value through profit or loss	-	-	-	
Loss on disposal of property, plant and equipment	3	2	1	
Impairment loss on trade and other receivables	8	4	-	
Impairment loss on property, plant and equipment and right-of-use assets	-	-	-	
Inventory written off	-	-	-	
Interest expenses	247	247	-	
Interest income	(209)	(209)	-	
Gain on disposal of subsidiaries	(50)	(51)	1	
Issuance of ordinary shares	300	300	-	
Bad debt written off	-	13	(13)	
Operating cash flows before working capital changes	(893)	(840)	(57)	
Changes in working capital:				
Inventories	248	228	19	
Payables and contract liabilities	7,248	2,712	4,540	
Receivables	(5,097)	(698)	(4,395)	
Currency translation difference	(325)	(212)	(119)	
Cash generated from operations	1,181	1,190	(12)	
Income tax paid	(90)	(91)	-	
Net cash generated from operating activities	1,091	1,099	(12)	
Cash flows from investing activities				
Interest received	6	6	-	
Purchase of property, plant and equipment	(112)	(126)	14	
Proceeds from disposal of property, plant and equipment	-	1	(1)	
Net cash used in investing activities	(106)	(119)	13	
Cash flows from financing activities				
Contribution from non-controlling interest of a subsidiary	163	163	-	
Interest paid for bank loans	(28)	(28)	-	
Interest paid for lease liabilities	(7)	(7)	-	
Interest paid for third party loan	(188)	(10)	(178)	
Withdrawal of fixed deposit pledged	157	157	-	
Proceeds of borrowings	356	356	-	
Repayment of principal portion of borrowings	(483)	(660)	177	
Repayment of principal portion of lease liabilities	(215)	(215)	-	
Net cash used in financing activities	(245)	(244)	(1)	
Net increase in cash and cash equivalents	740	736	-	
Cash and cash equivalents at beginning of the financial year	736	736	-	
Effects of foreign currency translation on cash and cash equivalents	(46)	(42)	-	
Cash and cash equivalents at end of the financial year	1,430	1,430	-	

Explanatory Notes:

1. Due to the elimination of an intercompany transaction involving the sale of property, plant and equipment (“PPE”) between subsidiaries which led to (i) an adjustment on (i.e. elimination of) PPE of \$13,000 and a depreciation on PPE of \$5,000 for the purchasing subsidiary; and (ii) an adjustment on (i.e. elimination of) other income of \$18,000 for the selling subsidiary.
2. Due to reclassification of goods-in-transit of \$19,000 (previously recognised in inventories) to cost of sales.
3. Due to the elimination of an intercompany transaction involving the sale of goods between subsidiaries which led to (i) an adjustment on (i.e. elimination of) trade and other payables of \$11,000 and other expenses of \$11,000 for the purchasing subsidiary; and (ii) an adjustment on (i.e. elimination of) trade and other payables of \$11,000 and other income of \$4,000 for the selling subsidiary, which was offset against revenue of \$11,000 and other expenses of \$4,000.
4. Due to adjustment of over-accrued professional fees of \$1,000 (previously recognised in both trade and other payables, and administrative and general expenses).
5. Due to reclassification of a discount given by a supplier of \$332,000 from revenue to cost of sales.
6. Due to recognition of both revenue and cost of sales of \$5,916,000 in accordance with the requirements of SFRS(I) 15 Revenue from Contracts with Customer.
7. Due to recognition of advance billing from a supplier and an unbilled invoice which led to adjustments on (i.e. increases in) trade and other receivables of \$3,697,000, trade and other payables of \$578,000, contract liabilities of \$4,283,000 and other income of \$8,000.
8. Due to reclassification of a gain on foreign currency exchange (previously recognised under other income) of \$37,000 to loss on unrealised foreign currency exchange (recognised under other expenses).
9. Due to reclassification of trade and other receivables and trade and other payables of \$710,000.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

13 April 2023

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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