

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

UPDATES ON THE PILOT PROJECT

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) refers to the announcements dated 5 June 2018, 24 September 2018, 31 January 2019 and 25 April 2019 (the “**Prior Announcements**”) in relation to the Pilot Project entered into between the Company’s associate company, HT Energy (S) Sdn. Bhd. (“**HTES**”) and Sarawak State Health Department (“**SSHD**”) under the Ministry of Health, Malaysia. All capitalised terms used and not defined herein shall have the same meanings given to them in the Prior Announcements.

The Board wishes to update the shareholders that the second factory acceptance test (“**FAT**”) to test the endurance of the Power Module has commenced on the week of 17 June 2019. Subject to a successful second FAT, the Project Team expects to complete and close the second FAT during the week of 7 July 2019.

The Board wishes to bring to shareholders’ attention that while it will continue to use its best endeavours to meet the targeted milestones under the Pilot Project, it is mindful that time should also be taken to ensure that any potential technical issues are worked out and resolved to ensure that Power Module will operate at a high performance level when the Pilot Project formally commences operations. Certain delays to the implementation timeline for the milestones under the Pilot Project, as disclosed in the Company’s announcements on 31 January 2019 and 25 April 2019, were as a result of unforeseen circumstances beyond the Company’s control, which are attributed to the ongoing resolution of technical issues pertaining to the manufacture of the Power Module Cahya Suria 1 (“**PMCS1**”). During the first live run test conducted in December 2018 (“**First Test**”) it was discovered that a rectification of the electrolyser plate component would be required. Following that, the manufacturer proceeded to rectify the electrolyser plate component in accordance to the new scope of works determined from the results of the First Test. The manufacturer completed the rectification in mid-April 2019 and subsequently proceeded to integrate the rectified electrolyser plate component with PMCS1. During the integration trial test, the manufacturer informed the Company on 23 April 2019 that the integrated PMCS1 experienced overheating and, therefore, further rectifications has to be made to address the overheating issue which was successfully resolved. With the resolution of the overheating issue, the current FAT commenced during the week of 17 June 2019 and will continue to run for a further 3 weeks. A copy of the revised timeline for the milestones under the Pilot Project is attached to this Announcement.

The Company will continue to obtain updates from the Project Team and will provide regular updates to the Sponsor on the milestones/progress of the Pilot Project going forward. The Company will also make the relevant announcements as and when there are material updates on the milestones/progress of the Pilot Project.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive
Officer

23 June 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd.

This announcement 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 accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this announcement.

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