

ANNICA HOLDINGS LIMITED

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

RESPONSE TO SGX-ST'S QUERIES IN RELATION TO THE PILOT PROJECT

1. RESPONSE TO SGX-ST'S QUERY IN RELATION TO THE PILOT PROJECT

1.1 Introduction

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 (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 on the progress of the Pilot Project, based on SGX-ST's query to the Company on 12 April 2019.

1.2 SGX-ST's Queries and Company's Response

SGX-ST's Queries

The revised timeline for the Pilot Project was last disclosed via responses to SGX queries on 31 January 2019. Now that another 2 months has passed and we are into April 2019, can we check if the milestones set for February and March 2019 have been met?

Company's Response

With reference to the proposed implementation timeline of the Pilot Project at the Long Loyang Clinic as set out in the updated Gantt chart timeline accompanying this announcement (which revised the timelines for certain milestones as set out in the Gantt chart timeline accompanying the 31 January Announcement (as defined below)), we wish to update as follows:

- (a) As disclosed in our announcement on 31 January 2019 ("**31 January Announcement**"), there were technical issues with the Power Module (arising from the initial factory acceptance test ("**FAT**") conducted on 23 October 2018) which the Manufacturer needs to address.
- (b) As further disclosed in the 31 January Announcement, aside from these technical issues, the Project Team was also informed following completion of the live run test in December 2018 that there is also a need to perform rectifications to the electrolyzer plate ("**Milestone F**") and to conduct a second FAT ("**Milestone G**"). The new scope of work

mentioned above has therefore caused a further delay to the intervening milestones and an eventual delay in the final roll out of the Pilot Project to May 2019.

- (c) Subsequent to the sign off of the Annual Report, the Company has, on 12 April 2019, received an update letter from the Manufacturer dated 11 April 2019, which indicates that the electrolyzer plate testing/rectification in Beijing is successful (i.e. that Milestone F is completed) and the electrolyzer has been transported back to the Manufacturer's Suzhou factory where integration with the Power Module Cahya Suria 1 ("**PMCS1**") and the second FAT will be performed.
- (d) As such, we are currently preparing for the second FAT. On 23 April 2019, the Manufacturer has verbally updated the Company that the electrolyzer module has integrated successfully to the PMCS1. However, in the process of the integration trial test, they have experienced an overheating which they are currently rectifying. The Project Team is due to conduct the second FAT during the week of 6 May 2019.
- (e) Subject to the successful result from the second FAT, the Company would be looking to ship the pilot module in mid-May 2019 ("**Milestone I**"), with a view to it arriving at the client's designated pilot site in Sarawak in early June 2019 ("**Milestone J**"). As such, on the assumption that there are no delays in Custom's clearance, the Company will be targeting to roll out the Pilot Project in June 2019, which is a slight delay from that originally disclosed in the 31 January Announcement.

The Company will continue to obtain verbal updates from the Manufacturer and 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.

2. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that all or any of projects will be completed. The Company will make the necessary announcements when there are further developments on the projects.

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

25 April 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. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the 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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