

## ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198304025N)

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- A) UPDATE ON PROGRESS OF PILOT PROJECT
  - B) SUBSCRIPTION OF SHARES IN HT ENERGY (S) SDN BHD BY THE MAJORITY SHAREHOLDER
  - C) THE DISPOSAL OF 350,000 ISSUED AND PAID UP ORDINARY SHARES IN THE SHARE CAPITAL OF GPE POWER SYSTEMS (M) SDN. BHD. – FOURTH TRANCHE CONSIDERATION
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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**”) wishes to refer to the following announcements:

- (a) the announcements made on 6 September 2019, 9 June 2020 and 13 August 2020 in relation to the Pilot Project between HTES and the State Health Department;
- (b) the announcements made on 31 March 2020 and 1 June 2020 in relation to the proposed subscription of 301,837 ordinary shares at RM1.00 each in the capital of HTES for a total subscription price of RM301,837 by Muhammad Hatta Bin Sukarni (the “**Majority Shareholder**”) pursuant to the Letter of Undertaking provided by the Majority Shareholder to HTES and the Company; and
- (c) the announcements made on 5 November 2019, 1 May 2020, 22 May 2020, 23 June 2020, 21 August 2020, 28 August 2020, 25 September 2020 and 19 October 2020 in relation to, *inter alia*, the SPA for the disposal by the Company of its entire shareholding interest of 350,000 ordinary shares in the share capital of GPE Power Systems (M) Sdn. Bhd. and the Settlement Definitive Agreements for the Fourth Tranche Consideration.

(the “**Earlier Announcements**”).

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

### 2. UPDATE ON PROGRESS OF PILOT PROJECT

As previously disclosed, the Power Module arrived at the Pilot Project site in mid-February 2020. However, due to the adverse weather and the imposition of the Movement Control Order (“**MCO**”) in Malaysia, the installation of the Pilot Module at the site was delayed and was only completed in July 2020 after a temporary relaxation of the MCO.

Since the installation of the Pilot Module, the MCO has been further tightened from 1 August 2020 and inter-zone travel within Sarawak together with international travel into and within Malaysia have been severely restricted. As such, the Pilot Study which was initially scheduled to commence in July 2020 was affected by delays in the testing and commissioning (“**T&C**”) and on-site calibration of the Pilot Module, which required the on-site presence of both our in-house technical team from Singapore and the Chinese technicians from our manufacturer in China. Despite these challenges and unstable on-site communications (weak internet access), our in-house technical team together with the local support team, were able to bring the Pilot Module up to 70% of operational capacity in October 2020.

At present, subject to easing of movement restrictions and/or receipt of travel approval, the Company's in-house technical team is scheduling to return to the site to complete the final optimization to full operational capacity and commissioning of the Pilot Module, with guidance from the Chinese manufacturer remotely through online means. Although the Company plans to commence the Pilot Study around second half of FY2021 (which will run for a three (3) month period), the Company recognises that this timeline may be affected due to the ongoing movement restrictions and/ or should the COVID-19 situation persist or deteriorate during this period.

### **3. SUBSCRIPTION OF SHARES IN HT ENERGY (S) SDN BHD BY THE MAJORITY SHAREHOLDER**

On 31 May 2020, the Majority Shareholder had informed the Company that he would require a further 4-5 months to fully settle the Outstanding Subscription Price. To date, the Majority Shareholder has yet to fully provide for the Outstanding Subscription Price although he has been continually providing advances to HTES for its operations, which currently amounts to RM154,500 or 51% of the Subscription Price.

The Board has considered the Majority Shareholder's continuous efforts and his integral and key role in driving the business of HTES, as well as his good faith and commitment on meeting his Undertaking. The Board also recognises that the impact of COVID-19 has also affected local and global economies which in turn has affected the Majority Shareholder's ability to meet his obligations. After due deliberation, the Board has taken the view to allow the Majority Shareholder further time to complete the settlement of the Outstanding Subscription Price.

### **4. FOURTH TRANCHE CONSIDERATION**

The Board has informed the shareholders on 19 October 2020 that that the Company has not received the Demanded Amounts to date and that the Company will proceed to appoint a law firm to commence legal action against the Purchaser and the Guarantor.

On the advice of the Company's legal advisors, prior to the commencement of legal action, we had sought a written consent from the Purchaser to waive her jurisdictional rights in Singapore in favour of Malaysia, due to cost considerations. The waiver was received by the Company from the Purchaser on 14 December 2020.

Following receipt of the waiver, the Purchaser has informed the Company of a new offer for the proposed sale of her assets and requested for additional time to complete the sale, which proceeds have been assigned to the Company to satisfy the Demanded Amounts. As a result of this new development, the Board had deliberated at length during its meeting in December 2020 and decided to stay its earlier decision to commence legal action and grant the Purchaser reasonable time to settle the Demanded Amounts through the sale of her assets. In arriving at their decision, the Board has considered that:

- (a) the Purchaser had, in addition to the existing security, assigned the proceeds of the sale of the Purchaser's assets to the Company; and
- (b) the Purchaser has provided the Company with a total of 810,000,000 shares amounting to S\$810,000 to date. Save for the 140,000,000 shares amounting to S\$140,000 which have yet to be monetized, 670,000,000 shares amounting to S\$670,000 given to the Company as partial payment towards the Purchase Price had been monetized successfully without commencing legal action.

Furthermore, the Board has also weighed the legal costs, time and potential recoverability of the Demanded Amounts against any potential detriment to the Company for staying the legal action, and is of the view that there is no significant detriment to the Company in staying the legal action for a reasonable period, and any legal action may actually adversely impact any potential sale of the Purchaser's assets and the Purchaser's ability to satisfy the Demanded Amounts.

The Company will work closely with the Purchaser to ensure the recovery of the Demanded Amounts upon the sale of the Purchaser's assets. Meanwhile, the Board will continually assess and review this matter periodically until resolution.

The Board wishes to emphasise that the effects on the economy arising from COVID-19 are unprecedented in modern history, and its full impact is yet to be fully assessed and realised. In many ways, COVID-19 has directly impacted the rollout of the Pilot Project, while indirectly affecting the ability of the relevant parties in meeting their obligations relating to the subscription of HTES shares and settlement of the Fourth Tranche Consideration. Notwithstanding the current pandemic situation, the Group continues to work diligently to reposition itself and grow its business and will continue to keep shareholders updated on these matters as and when there are material developments.

The Board confirms that to the best of their knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer  
1 March 2021

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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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