

**GENERAL ANNOUNCEMENT**  
**QUERY REFERENCE NO: IQL-21092020-00003**

**SINO HUA-AN INTERNATIONAL BERHAD ("HUAAN")  
SOFTWARE LICENCE AND SERVICE AGREEMENT BETWEEN TOUCHPOINT  
INTERNATIONAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF HUAAN AND  
TECHNISCHE INVESTMENT (PTY) LIMITED**

---

*(The definitions used in this announcement shall have the same meanings as that used in the announcement dated 17 September 2020 unless stated otherwise.)*

We refer to the announcement made on 17 September 2020 and the letter dated 21 September 2020 from Bursa Malaysia Securities Berhad ("**Bursa Securities**") requesting for additional information pertaining to the Agreement.

The Board of HUAAN wishes to announce the following additional information as requested by Bursa Securities:-

**1) The date Touchpoint International Sdn. Bhd. ("TPI") commenced its business.**

TPI commenced its business on 11 March 2014.

**2) The date of incorporation of Technische Investment (PTY) Limited ("Snappistore"), and the date Snappistore commenced its business.**

Snappistore was incorporated on 11 August 2020 and commenced its business on 15 August 2020.

**3) To provide further details on Snappistore's current business activities.**

Snappistore currently operates a web e-commerce marketplace business, which includes providing online payment acceptance and delivery services. Snappistore also provides ancillary services related to business consulting and advisory to its clients on the setting up and operation of e-commerce business.

**4) A description of Snappisaving.**

Snappisaving is a multi-tenant loyalty platform that functions as a digital wallet, allowing its members to earn points (denominated in the local currency) from purchases, as well as to utilize the points to offset purchases on the platform.

The primary source of revenue for Snappisaving is derived from the treasury earning by means of short-term money market placements.

**5) The role of Snappistore in the Agreement.**

The role of Snappistore is to operate the e-commerce marketplace business in South Africa, using the platform provided by TPI, including all matters relating to the business and operational aspects.

**6) To quantify Snappistore's estimated capital outlay for the Snappistore App.**

TPI is not privy to such information as TPI is merely a developer of the Snappistore App according to Snappistore's requirement.

**GENERAL ANNOUNCEMENT**  
**QUERY REFERENCE NO: IQL-21092020-00003**

**7) To quantify TPI's estimated development cost, capital outlay and investment outlay for the Snappistore App.**

The estimated one-time software development and customization cost for the Snappistore App is approximately RM 85,000.00 and the estimated yearly support and maintenance cost is approximately RM 360,000.00.

**8) The current stage of development of the Snappistore App.**

The Snappistore App is currently undergoing 3<sup>rd</sup> party service integration and UI/UX customization.

**9) The expected "Go-Live Date".**

The target "Go-Live Date" for the Snappistore App is 30<sup>th</sup> September, 2020

**10) To clarify the manner in which the dispute as stated in Section 3.5(b) shall be resolved.**

In the event that either Party fails to fulfill any of its obligations arising herein and if such breach has not been remedied within 60 (sixty) calendar days from the written notice of such breach, the Agreement may be terminated immediately by the non-breaching Party, as outlined in Section 3.5(c).

**11) To elaborate on the operational risk association with the Agreement and the cooperation arrangement with Snappistore, and the mitigating measures.**

The risks identified with the operations and execution of the cooperative agreement with Snappistore are below:

	<b>Operational Risk</b>	<b>Mitigation Measures</b>
1	Delay caused by technical and operational readiness on the part of Snappistore	As this is an extension of Snappistore's existing business, the risk associated to the operational readiness is considered minimal. Nevertheless, a proper project management structure has been put in place to steer the development efforts in a phased methodology in order to minimize unexpected delays caused by extraneous factors.
2	Risks arising from catastrophic events (e.g. pandemic)	Provisions have been included in the Agreement to mitigate delays in payment and safeguard TPI's financial interests that can potentially arise from force majeure events.
3	System and data security breach	TPI will be deploying the Snappistore platform on Windows Azure cloud infrastructure with the highest level of

**GENERAL ANNOUNCEMENT**  
**QUERY REFERENCE NO: IQL-21092020-00003**

		security capabilities, configured to reduce the risks associated to potential cyber-attacks and security breaches. TPI will continue to have fully administrator's access to the platform servers in order to continuously monitor and manage potential technical risks.
4	Risks arising from internal and external fraud	As the complete platform will be deployed and maintained by TPI, any potential tampering of system will be detected by the source control deployed within the system. External fraud risks associated to transactions are also mitigated by payment gateway provided by Capitec Bank Limited who functions as the authorized financial institutional partner on the platform.

This announcement is dated 22 September 2020.