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SINO Hua-An to invest US\$35m in China Super-Capacitor Technology Group

~ Acquisition will make Hua-An's Techna-X division Malaysia's first company in super-capacitor technology and a leading energy storage solutions provider in Asia Pacific ~

KUALA LUMPUR, 3 July 2020 – Sino Hua-An International Berhad (“Hua-An” or the “Group”) announced its plan to acquire 100% of HK Aerospace Beidou New Energy Industry Technology Co Ltd (HKAB), a Hong Kong company with operations in China specialising in ultra capacitor technology for the Internet of Things (IOT) and energy storage sectors.

HKAB is the holding company for the Aerospace Beidou Group's (AB Group) IOT and manufacturing operations in China and it holds the 28 intellectual property and global marketing rights for the development of super-capacitors. HKAB will also be the entity to undertake further research and development in international collaborations related to the technology.

The AB Group has a complete patent field and patent strategy in ruthenium ultra capacitor technology, upon which it has established a 8.25 acre factory in China's Guangxi Hi-tech industrial park — the first ruthenium ultra capacitor manufacturing plant in the world. The AB Group also has an IOT business that uses its ultra capacitors to develop its own proprietary systems and also supplies its ultra capacitors to a range of industries for energy storage.

The manufacturing facility located in Guangdong-Guangxi Inter-Provincial Pilot Cooperation Special Zone began commercial production in September 2019. There are currently two (2) lines of production and commercial delivery of its ultra-capacitors has begun with an existing delivery order of approximately US\$ 67 million, in addition to purchase orders of about US\$ 233 million. Hua-An's acquisition will serve a requirement for new capital to expand the capacity while continuing research in the same field.



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Hua-An will acquire 100% of HKAB via a vendor share purchase of US\$ 25 million and a capital injection of US\$ 10 million. The capital injection will be disbursed in stages over four (4) months while the vendor share payment will be paid over twelve (12) months from the date of completion of the capital injection.

There will be a profit guarantee mechanism for US\$ 3 million in FY 2021, premised on the basis that the first stage of the capital injection is completed by October 2020. Profit projection for FY2022 upon the full capital injection is expected to be many times more as the Group fulfils its existing order book.

Globally, the most recent acquisition of ultra-capacitor companies is Maxwell Technologies, which was acquired by Tesla for a price of US\$ 218 million. Maxwell was registering losses at the time of acquisition in 2019.

Hua-An has been undergoing a corporate reorganisation since 2019, acquiring four (4) technology companies and one (1) F&B company recently under its new business division known as Techna-X to solidify its digital transformation and digital ecosystem solutions.

The latest acquisition of HKAB will further strengthen Hua-An's market position as a digital transformation enabler.

"The acquisition of AB Group will complete the final puzzle for Hua-An to transform itself into a technology company in the digital transformation space," commented Datuk Jared Lim, Executive Director of Hua An.

"This transaction will allow Hua-An to become the first Malaysian company in the super-capacitor market with an existing order book of about US\$ 300 million," Lim said.



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“This positioning has made Techna-X an attractive partner in technology and has resulted in this acquisition opportunity that will give Techna-X the edge over the entire competition in the IOT Asia Pacific market and catapult Techna-X to be the leader in energy storage solutions in Asia Pacific,” Lim said.

The global market of super capacitors has mushroomed, with the Asia-Pacific Region seeing the highest growth rate. The global super capacitor market was valued at **US\$ 1.01 billion in 2018** and is expected to reach **US\$ 4.09 billion by 2025**, with a **CAGR of 22.1%**. In the upcoming five years, super capacitors will be largely utilised in transportation and consumer electronics. From a geographical perspective, Asia-Pacific consumed the most super capacitors worldwide in 2018, and the consumption is expected to increase at the highest rate in the next few years.

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Sino Hua-An International Berhad ([HTTP://WWW.SINOHUAAN.COM](http://www.sinohuan.com))

SINO Hua-An International Berhad has begun its evolution from a manufacturer of metallurgical coke to be a digital transformation enabler. Hua-An has introduced a new division called Techna-X to spearhead the technology operations. The Group’s strategy to expand its business into mobile and digital solutions will provide Hua-An with opportunities to tap into the Fourth Industrial Revolution (“IR4.0”), specifically in seven (7) key areas, namely smart city, smart retail, agriculture IoT, improved transportation, smart healthcare, advanced AI recognition technologies and geospatial industrial applications and solutions. Listed on the Main Board of Bursa Malaysia on 26 March 2007, Hua-An is the first Red Chip counter listed on Bursa Malaysia and is classified as a Syariah-compliant security approved by the Syariah Advisory Council of the Securities Commission, Malaysia.

Aerospace Beidou Group (www.aerospacene.com)

AB Group is a high technology company in the energy enabling space. The group has a complete patent field in ruthenium ultra capacitor development with a total of 28 patents – 8 in the US, 15 in Taiwan and 5 in China. This



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technology is largely recognised as one of the most commercially advanced in the energy storage space today. The technology has its origins in the United States by Pinnacle Research Institute (PRI) based in California, most famously known as the research centre where Elon Musk worked and developed an early understanding of how ultra-capacitors could be used as a revolutionary source of power for electric and hybrid vehicles.

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