

**NON-BINDING MEMORANDUM OF UNDERSTANDING WITH
CALYPTE HOLDING PTE. LTD.**

1. INTRODUCTION

The board of directors (the “**Board**”) of Annica Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has on 21 October 2022, entered into a non-binding Memorandum of Understanding with Calypate Holding Pte. Ltd. (the “**MOU**”).

2. INFORMATION ON CALYPTE HOLDING PTE. LTD.

Calypate Holding Pte. Ltd. (“**CHPL**”) is a Singapore incorporated private limited company which was incorporated on 11 October 2022. CHPL, together with its Indonesian partners, are intending to develop a 1.2 gigawatts solar power plant in Batam, Indonesia (the “**Solar Power Plant**”) for the purposes of supplying electricity to the domestic Indonesian market and as well as for export to Singapore.

The shareholders of CHPL had contacted the Company directly for discussions which lead to the MOU. The shareholders of CHPL had obtained the Company’s contact information from the Energy Market Authority of Singapore (“**EMA**”) website, which contains the contact information of companies that have indicated interest in electricity imports.

3. THE RATIONALE FOR ENTERING INTO THE MOU

- 3.1. EMA issued a second Request for Proposal (“**RFP2**”) on 1 July 2022 to appoint licensed electricity importers to import up to a cumulative total of four (4) gigawatts of low carbon electricity by year 2035, as part of EMA’s plan to decarbonize the energy sector (the “**Authorised Business**”).
- 3.2. The Company and CHPL (together, the “**Parties**”) intend to collaborate and participate in the RFP2, and have entered into the MOU to facilitate further and more detailed negotiations with the intention of:
 - 3.2.1. submitting a non-binding expression of interest proposal (“**EOI Proposal**”) by the Company to EMA before 29 December 2023 in response to the RFP2; and
 - 3.2.2. entering into such detailed legally binding documentation on the Parties’ collaboration on the Authorised Business, including without limitation, the entering into of an offtake agreement between CHPL and the Company for the Company’s purchase of electricity generated by the Solar Power Plant (the “**Definitive Agreements**”).
- 3.3. Following submission of the EOI Proposal, EMA may commence negotiations with the Company if its EOI Proposal provides all the required information. Following such negotiations and further development of the EOI Proposal, the Company may elect to submit a binding proposal (the “**Final Proposal**”) to EMA. If the Final Proposal is assessed to be attractive and suitable, EMA may provide conditional approval (“**Conditional Approval**”) to the Company. Assuming EMA has granted

Conditional Approval to the Company, EMA may subsequently issue a full electricity importer licence (“**Importer Licence**”) to the Company provided the Company fulfils certain obligations and condition precedents. The process of attaining an Importer Licence from EMA is not subject to a specific timeline and the time required may differ according to each proposal’s delivery plan.

4. FURTHER INFORMATION

4.1. Pursuant to the MOU, the Parties agree that the roles and responsibilities of the Company include but are not limited to:

- 4.1.1. taking the lead in the drafting and submission of the EOI Proposal and the Final Proposal;
- 4.1.2. providing the performance bonds in favour of EMA for the purposes of the EOI Proposal and securing the Importer Licence to be issued by EMA;
- 4.1.3. purchasing and importing into Singapore, the electricity generated by the Solar Power Plant at a final tariff rate to be mutually agreed between the Parties after CHPL has completed the feasibility and interconnection studies.

4.2. Pursuant to the MOU, the Parties agree that the roles and responsibilities of CHPL include but are not limited to:

- 4.2.1. developing the Solar Power Plant with a minimum transmission of 600MW of electricity to the interconnector in Singapore;
- 4.2.2. securing lands suitable for development of the Solar Power Plant;
- 4.2.3. providing technical documentation and assistance for the successful submission of the EOI Proposal and the Final Proposal;
- 4.2.4. raising of equity and/or debt financing for the construction of the Solar Power Plant;
- 4.2.5. providing performance bonds in favour of the Company of such sums to be based on, *inter alia*, the amounts of the performance bonds to be provided by the Company to EMA and CHPL’s committed hours over a 24-hour day of uninterrupted power supply under the Definitive Agreements.

4.3. Pursuant to the MOU, the Parties agree that the Company shall hold the Importer Licence if granted by EMA, and the Company shall have the sole authority and right to arrange and execute all retail buyers’ off-take agreements.

4.4. The MOU is not exclusive as between the Parties, and the Company is free to collaborate with any other third party for the purposes of submitting an EOI Proposal to EMA.

4.5. The MOU is entered into solely for the purposes set out above and is not meant to be legally binding except as specifically set out in the MOU.

4.6. The MOU is effective from the date of execution by both Parties and is valid until the earlier of the following events unless terminated earlier by mutual agreement of both Parties:

- 4.6.1. if the Parties fail to submit the non-binding EOI Proposal to EMA by 23 December 2023; or

4.6.2. the date on which a Definitive Agreement becomes effective.

4.7. Notwithstanding the termination of the MOU, the Parties' confidentiality obligations under the MOU to inter alia, maintain all information relating to any Party's business and operations and all other technical, commercial, financial information obtained under the MOU confidential shall subsist indefinitely.

4.8. The Board is of the view that that the collaboration between the Parties under the MOU may potentially create a new and major revenue stream in cross-border energy trading and diversify the Group's energy interests overall.

5. FINANCIAL IMPACT

The MOU is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2022.

6. INTERESTS OF DIRECTORS OR CONTROLLING SHAREHOLDERS

None of the directors or the controlling shareholders of the Company has any direct or indirect interest in the MOU, save through their shareholding interests in the Company.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution in trading the shares of the Company as there is no certainty or assurance as at the date of this announcement that any EOI Proposal will be submitted to the EMA or Definitive Agreement(s) will be entered into or that any collaborations will be undertaken at all. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

8. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcements in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst to inform its shareholders of any updates or developments of the matters above in due course, including the entering into Definitive Agreement(s) pursuant to the MOU, if any.

By Order of the Board

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer
21 October 2022

*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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