



Company Registration No. 199806046G)
(Incorporated in the Republic of Singapore)

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BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO PROPOSED DISPOSAL OF CERTAIN ASSETS BY P5 PTE. LTD.

1. INTRODUCTION

The Board of Directors ("**Board**") of H2G Green Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") refers to the Company's announcement dated 23 May 2025 in relation to the entry by P5 Pte. Ltd. ("**P5**"), an indirect wholly-owned subsidiary of the Company, into a non-binding letter of intent ("**LOI**") with Molteni Group S.p.A. ("**Purchaser**") (collectively the "**Parties**"), in relation to the proposed disposal of certain assets of P5 ("**Proposed Disposal**").

The Board wishes to announce that the Parties have on 11 September 2025 entered into a legally binding memorandum of understanding ("**MOU**") in relation to the Proposed Disposal at the showroom located at 3 Killiney Road, #01-01 Winsland House 1, Singapore 239519 ("**Showroom**"), as well as the assignment and/or novation of certain contracts including the existing lease for the Showroom ("**Lease**") to the Purchaser (collectively, the "**Assets**").

2. INFORMATION ON PURCHASER

The Purchaser, Molteni Group S.p.A., is a company incorporated in Italy. The Purchaser is principally a leading Italian design furniture brand and industrial group specialising in high-quality furniture for homes, offices, and contract projects, under several brands, including Molteni&C, UniFor and Citterio. The Purchaser is not related to the Group, the Directors and controlling shareholders of the Company, and their respective associates.

P5 is currently the exclusive distributor of Molteni&C brand of furniture, kitchen and wardrobe systems in Singapore. It currently operates the Showroom, being the Singapore flagship store of Molteni&C.

3. SALIENT TERMS OF THE MOU

The salient terms of the MOU in respect of the Proposed Disposal are as follows:

- (i) The Proposed Disposal is subject to, *inter alia*, satisfactory due diligence by the Purchaser and the landlord's consent for the assignment and/or novation of the lease of the Showroom to the Purchaser (or its nominated entity);



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- (ii) The Purchaser (or its nominated entity) shall purchase, and P5 shall sell, the following:
- (a) Assets in respect of the Showroom including but not limited to information technology assets (such as systems, software, hardware, telephone systems, surveillance camera system, fire alarm system and security alarm system) as the Purchaser may elect, fixed assets in respect of the Showroom (but excluding any fixtures belonging to the landlord) ("**IT and Movable Assets**") as well as certain inventory products located and displayed at the Showroom ("**Showroom Display Products**");
 - (b) The Lease in respect of the Showroom shall be assigned and/or novated to the Purchaser, subject to the landlord's consent to the same; and
 - (c) The transfer of supply agreements in respect of utilities for the Showroom and certain employment contracts to the Purchaser;

Completion of the Proposed Disposal is scheduled to take place on or before 1 December 2025 ("**Closing Date**").

- (iii) The sale consideration for the Assets is estimated to be S\$1,167,892.00 ("**Sale Consideration**") (comprising the fixed consideration of S\$1,000,892.00 ("**Fixed Consideration**") for the IT and Movable Assets and a variable consideration which is currently estimated to be S\$167,000.00 for the Showroom Display Products ("**Variable Consideration**")), payable by the Purchaser (or its nominated entity) to P5 in two tranches as follows:

- (a) 10% of the Sale Consideration (being S\$116,789.20) by 10 October 2025; and
- (b) Balance 90% of the Sale Consideration (being S\$1,051,102.80) within three working days of the signing of the definitive sale and purchase agreement in respect of the Proposed Disposal (the "**Definitive Agreement**");

The final quantum of the Sale Consideration will depend on the Variable Consideration which may vary depending on the final list of Showroom Display Products that P5 will sell to the Purchaser (or its nominated entity), and which will be set out in the Definitive Agreement. Nevertheless, the Variable Consideration, if any, is not expected to form a significant portion of the Sale Consideration;

- (iv) Existing Orders: All existing orders of P5 as set out in the MOU shall be completed by P5, and P5 shall manage and fulfil such existing orders without reference to the Purchaser, regardless of whether such existing orders are fulfilled prior to or after the Closing Date;
- (v) Design Project Orders: All design project orders received by P5 prior to the Closing Date shall be assigned to the Purchaser pursuant to the Definitive Agreement, and the Purchaser shall pay an amount equal to 20% of the contract price under the relevant design project order so assigned to P5, in consideration for P5 securing such design project orders;
- (vi) Pipeline Orders: P5 shall be entitled to receive an amount equivalent to 10% of the contract price for each pipeline order secured by the Purchaser on or prior to 31 December 2026, where quotations have been sent by P5 to customers prior to the Closing Date, in consideration for the marketing and sales efforts provided by P5;



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- (vii) Mixed Use Subcontract arrangement: P5 will assign or novate the subcontract related to the project of a mixed – use development to the Purchaser (or its nominated entity) subject to successful due diligence and the customer’s consent. Upon such assignment or novation and after the Purchaser’s products are installed and fully paid by the end customer, the Purchaser (or its nominated entity) will pay P5 a special goodwill commission. If the Parties are not able to agree on the special goodwill commission to P5 by the Closing Date, the MOU shall be deemed as terminated and P5 must also refund any amounts paid by the Purchaser to P5 and P5 will not be required to pay penalty referred to in paragraph 3(x). The Parties agree to discuss in good faith in respect of the arrangements relating to this said mixed use subcontract, details to be further specified in the Definitive Agreement;
- (viii) P5 (and its related companies) shall be entitled to continue conducting its lifestyle business which includes selling and distributing furniture and kitchen equipment of various brands, and designing, installation and warehousing of furniture and kitchen equipment;
- (ix) P5 as Preferred Supplier: The Purchaser aims to assign installation and warehousing services to P5 as preferred supplier for 2 years from the date of the Definitive Agreement by granting a right of first refusal to P5, subject to satisfactory service delivery;
- (x) If P5 is in breach of any material obligation under the MOU and fails to enter into the Definitive Agreement by the Closing Date, the MOU shall be deemed to be terminated and P5 is required to pay a penalty amount of S\$250,000 to the Purchaser and refund all amounts paid by the Purchaser to P5;
- (xi) If the landlord in respect of the Lease does not provide consent to the assignment and/or novation of the Lease by P5 to the Purchaser (and/or its nominated entity) by the Closing Date, P5 shall refund all amounts paid by the Purchaser to P5 and the MOU shall be deemed terminated. In such case, P5 will not be required to pay the penalty referred to in paragraph 3(x) and the Purchaser shall not be obligated to sign the Definitive Agreement; and
- (xii) The MOU shall remain in force until the signing of the Definitive Agreement. If parties fail to enter into the Definitive Agreement by the Closing Date, the MOU will be terminated automatically unless extended by mutual consent.

4. RATIONALE OF THE PROPOSED DISPOSAL

The rationale for and benefits of the Proposed Disposal are, *inter alia*, as follows:

- (i) Enables the Group to better focus its available resources on the energy business segment compared with the lifestyle business segment of the Group;
- (ii) Enhances operational efficiency and support a clearer strategic focus for the Group’s stakeholders; and
- (iii) Allows the Group to transfer the Showroom and certain assets at a reasonable profit, while continuing to be entitled to commission on orders already secured by P5 and on certain orders subsequently secured after the Proposed Disposal. Existing projects which are already in progress will continue to be handled and completed by P5.

Accordingly, the Company is of the view that the Proposed Disposal will serve to enhance shareholder value.



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5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the MOU, other than through their respective shareholdings (if any), employment and/or directorship (as applicable) in the Company.

6. CAUTION IN TRADING

Shareholders and potential investors should note that the MOU is subject to the fulfilment of, *inter alia*, the conditions set out above, including the entry into definitive agreement(s) and obtaining the necessary consents and approvals. There is no certainty or assurance that any definitive agreement(s) will be entered into, or that the Proposed Disposal will be completed. Shareholders and potential investors should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial tax or other professional advisers.

The Company will keep shareholders updated on any material developments in relation to the Proposed Disposal by way of announcement(s) as and when appropriate.

By Order of the Board

Mak Yen-Chen Andrew
Non-Executive Chairman, Independent Director
11 September 2025