

# ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198304025N)

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## FRAMEWORK AGREEMENT BETWEEN H2 ENERGY SDN BHD AND HYDRO X GEN PTY LTD

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### 1. INTRODUCTION

#### 1.1 Background

Reference is made to the announcements made on 8 March 2021 and 11 March 2021 (collectively, the "**Earlier Announcements**") in relation to the binding term sheet entered between H2 Energy Sdn Bhd (formerly known as HT Energy (S) Sdn Bhd) (the "**Licensor**") and H2U Power Tech Pty Ltd ("**H2U Power**") on 8 March 2021 (the "**Term Sheet**").

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

The board of directors (the "**Board**" or "**Directors**") of Annica Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Licensor has, on 16 December 2021, entered into a binding framework agreement (the "**Framework Agreement**") with Hydro X Gen Pty Ltd (the "**Hydro X**" or "**Licensee**").

The details of the Licensee and the key terms of the Framework Agreement are set out in paragraphs 1.2 and 2 of this announcement respectively.

#### 1.2 The Licensee

The Licensee is a sister company to H2U Power and is an Australian corporation incorporated for the purposes of acquiring, developing and commercialising green hydrogen production projects and technologies in Australia and globally. The Licensee intends to list on the Australian Securities Exchange ("**ASX**") in 2022. Following the proposed listing, H2U Power and the Licensee intend to form part of the same group of companies.

The Company understands that the Licensee (or its listing vehicle) has commenced preparation towards listing on ASX, and is accordingly better placed to proceed with the Proposed Listing as compared to H2U Power. The parties have thus agreed that, notwithstanding the Term Sheet, the Licensee would be the more appropriate party to enter into the Framework Agreement with the Licensor.

As such, the Licensor and H2U Power have mutually terminated the Term Sheet on 16 December 2021, following the execution of the Framework Agreement.

*The information on the Licensee in this section was provided by the Licensee. In respect of such information, neither the Company nor any of its Directors has independently verified the accuracy or correctness of the same and the responsibility of the Company and the Board is limited to ensuring that such information has been properly extracted and reproduced herein in the context that the information is being disclosed in this announcement.*

#### 1.3 Grant of License

Pursuant to the Framework Agreement, the Licensor has agreed to grant the Licensee a perpetual, sole exclusive license under the Licensed Know-how (as defined below) (the "**License**") to assemble, install, distribute, market and sell, the Solar H-2 Power System ("**SH2PS**" or the "**Licensed Product**") worldwide, save for certain excluded territories ("**Excluded Territories**") which include MENA

countries (Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen), Africa, South East Asian countries (Brunei, Burma, Cambodia, Timor-Leste, Indonesia, Iran, Laos, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Community of Portuguese Language Countries (Mozambique, Angola and Brazil), United Kingdom, Portugal and Spain (the “**Territories**”).

“**Licensed Know-how**” under the Framework Agreement refers to all practical information of the Licensor, including knowledge, experience, data, materials, processes and know-how, patentable or otherwise, that relate to the assembly, installation, distribution, marketing and sale of the Licensed Product, that are immediately prior to the date of the Framework Agreement, owned or controlled by the Licensor, as identified at Annex A to the Framework Agreement.

Details of the Licensed Product are set out in the Company’s announcement dated 8 March 2021.

## 2. THE FRAMEWORK AGREEMENT

### 2.1 Material Terms of the Framework Agreement

Following the Effective Date (as defined below) of the Framework Agreement, the parties shall enter into definitive agreement(s) (each a “**Definitive Agreement**”), which:

- (a) shall set forth a complete description of the scope of the License as well as a more detailed description of the commercial terms and obligations between the parties in relation to the License, including without limitation, any minimum royalty payable or target sales to be achieved by the Licensee; and
- (b) may contain additional terms and conditions, including terms expressly modifying the terms of the Framework Agreement, which for the purposes of the Definitive Agreement(s), shall supersede any conflicting provisions set forth in the Framework Agreement.

In addition, under the Framework Agreement, the Licensee undertakes not to:

- (a) use or exploit the Licensed Know-how in any of the Excluded Territories;
- (b) distribute, market or sell the Licensed Products in any of the Excluded Territories; and
- (c) grant to any other person a license to carry out all or any of the activities set out in (a) and (b) above.

Similarly, the Licensor undertakes not to:

- (a) use or exploit the Licensed Know-how in the Territory;
- (b) distribute, market or sell the Licensed Products in the Territory; and
- (c) grant to any other person a right or license to carry out all or any of the activities set out in (a) and (b) above.

With regard to the purchase of Licensed Products:

- (a) The Licensee undertakes to purchase the Licensed Products (and/or any components or parts thereof) only from the Licensor, and shall not for the duration of the Framework Agreement, market or sell any products which compete with the Licensed Products.
- (b) The prices to be paid by the Licensee to the Licensor for the Licensed Products (and/or any components or parts thereof) and the Pilot System (as defined below) are to be the Licensor’s list prices as established by the Licensor from time to time, and such sale shall be subject to the Licensor’s standard terms and conditions of sale.

- (c) The Licensee shall purchase one (1) pilot Solar H-2 Power System of bespoke capacity ("**Pilot System**") for no more than A\$200,000 from the Licensor as soon as practicable after the Effective Date for the parties to jointly evaluate, analyse and interpret, inter alia, the information, findings, data or analysis derived from the Pilot System.
- (d) For the avoidance of doubt, the Licensor does not warrant or guarantee any specific level of performance, full operation or results of the Pilot System, save that the Pilot System shall meet certain limited functionality to be agreed between the parties, at the designated site of operation.

## 2.2 Effective Date

The effective date of the Framework Agreement (the "**Effective Date**") shall be the date of the proposed listing of the Licensee (or its listing vehicle) (the "**Listco**") on the AXS whether by way of initial public offer or reverse takeover, which shall be no later than 12 months from the signing of the Framework Agreement (the "**Proposed Listing**").

## 2.3 Consideration and Royalties

In consideration for the License granted by the Licensor to the Licensee under the Framework Agreement, the Licensee shall pay, issue or transfer, or procure the payment, issuance or transfer of, the following non-refundable up-front license fee ("**Up-front Fees**") to the Licensor within five (5) business days of the Effective Date:

- (a) A\$250,000 cash; and
- (b) such number of immediately tradeable, unrestricted shares in the Listco worth A\$250,000 upon the successful completion of the Proposed Listing,

and such Up-front Fees shall not be returnable nor available for credit against royalties or any other sums payable by the Licensee under the Framework Agreement, nor as an advance against royalties payable under the Framework Agreement.

The Licensee shall further pay to the Licensor a royalty of 1.5% of the Gross Revenue of the Licensed Product that is in the Territory:

- (a) sold by the Licensee;
- (b) lent, leased, let on hire or sold on hire purchase by the Licensee;
- (c) supplied by the Licensee to any person otherwise than in sub-paragraph (a) or sub-paragraph (b) above; or
- (d) put into use by the Licensee,

provided always that, and the royalty accrues on the date when the Licensed Product is used or supplied, the date it is supplied being the earliest of when it is invoiced, paid for, installed or delivered.

"**Gross Revenue**" under the Framework Agreement refers to the actual invoiced price for the Licensed Products (less any trade discounts) being:

- (a) sold by the Licensee;
- (b) lent, leased, let on hire or sold on hire purchase by the Licensee;
- (c) supplied by the Licensee to any person; or
- (d) put into use by the Licensee in any way.

## 2.4 Termination

The Licensor may terminate the Framework Agreement and the License immediately by giving written notice to the Licensee if any of the following circumstances occurs:

- (a) the Proposed Listing is not completed within twelve (12) months from the date of signing of the Framework Agreement;
- (b) a Definitive Agreement is not entered into within three (3) months from the Effective Date;
- (c) the Licensee fails to pay any amount due under the Framework Agreement or under any Definitive Agreement on the due date for payment and remains in default not less than 30 days after being notified in writing to make such payment;
- (d) the Licensee commits a breach of any other term of the Framework Agreement or under any Definitive Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 14 days after being notified in writing to do so;
- (e) the Licensee suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts;
- (f) the Licensee takes any step or action for or in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent amalgamation or restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent amalgamation or restructuring), having a receiver appointed to any of its assets or ceasing to carry on business, or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;
- (g) the Licensee suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or
- (h) the Licensee contests the secret or substantial nature of the Licensed Know-how.

## 2.5 Effects of termination

On expiry or termination of the Framework Agreement for any reason and subject to any express provisions set out elsewhere in the Framework Agreement:

- (a) all outstanding sums payable by the Licensee to the Licensor shall immediately become due and payable;
- (b) all Definitive Agreement(s) then in effect shall terminate;
- (c) all rights and licenses granted pursuant to the Framework Agreement or under any Definitive Agreement shall cease;
- (d) the Licensee shall cease all exploitation of the Licensed Know-how and any other know-how provided by the Licensor to the Licensee, except insofar as such Licensed Know-how and other know-how ceases or has ceased to be confidential, unless this is or was as a consequence of the default of the Licensee;
- (e) the Licensee shall be released from any liability to make further payments to the Licensor except as provided by sub-paragraph(a) above; and

- (f) the Licensee shall co-operate with the Licensor in the cancellation of any licenses registered pursuant to the Framework Agreement and shall execute such documents and do all acts and things as may be necessary to effect such cancellation.

### 3. FINANCIAL EFFECTS OF THE FRAMEWORK AGREEMENT

The Framework Agreement is not expected to have any material effects on the earnings per share and net tangible assets of the Group for the financial year ending 31 December 2021.

### 4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and/or their respective associates has any interest, direct or indirect, in the Framework Agreement other than through their respective shareholding interests in the Company (if any).

### 5. FURTHER UPDATES

The Company will make the relevant update announcements in compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") to inform Shareholders of any updates or developments in due course, if any, including the entering into of the Definitive Agreement(s).

### 6. CAUTIONARY STATEMENT

**Shareholders and potential investors of the Company should exercise caution when trading in the Company's shares. In particular, Shareholders and potential investors of the Company should note that there is no assurance that any business activities or transactions mentioned in this announcement will materialize or that the Definitive Agreement(s) will be entered into. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.**

#### By Order of the Board

Sandra Liz Hon Ai Ling  
Executive Director and Chief Executive Officer

16 December 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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