

STRAITS ENERGY RESOURCES BERHAD (formerly known as STRAITS INTER LOGISTICS BERHAD ("STRAITS" OR THE "COMPANY"))

SIGNING OF MEMORANDUM OF UNDERSTANDING ("MOU") BETWEEN STRAITS COMMNET SOLUTIONS SDN. BHD. ("SCS"), A 70% INDIRECT SUBSIDIARY COMPANY OF STRAITS AND EDGEPOINT TOWERS SDN. BHD. ("EPT") (COLLECTIVELY KNOWN AS "PARTIES")

1. INTRODUCTION

The Board of Directors of Straits ("**Board**") wishes to announce that SCS had on **15 March 2022** signed a MOU with EPT to collaborate and participate in the vast business opportunities of the 4G and 5G as well as private network rollout, digital transformation and 4.0 aspiration which include the oil and gas, port management and transportation industry through the Smart Technologies and Internet of Things ("**IoT**") in Malaysia and regionally ("**Proposal**"), where SCS will be the solution and equipment provider to complement EPT's telecommunication infrastructure offerings.

For avoidance of doubt, the MOU will be subject to the signing of the definitive agreement(s) to be entered into between SCS and EPT in relation to the Proposal ("**Definitive Agreement**") on a later date.

2. INFORMATION ON EPT

2.1 Incorporation and principal activity

EPT (formerly known as Asiaspace Sdn Bhd) [Company registration no. 199601033754 (406106-X)] was incorporated in Malaysia on 15 October 1996 as a private limited company. EPT principally involved in renting out telecommunication network facilities.

2.2 Share capital

As at 14 March 2022, being the latest practicable date of this announcement ("**LPD**"), EPT has an issued share capital of RM7,637,942, comprising 7,637,942 ordinary shares of RM1.00 each.

2.3 Directors and Shareholders

The Directors of EPT are as follows:-

Directors

- i) Suresh Narain Singh Sidhu
- ii) Muniff Bin Kamaruddin
- iii) Carson James Wolfer

Shareholder

Edgepoint Malaysia Holdings Sdn Bhd ("EMH"), is the sole shareholder of EPT.

2.4 Subsidiary and Associate company

As at LPD, EPT does not have any subsidiary and/ or associate company.

3. INFORMATION ON EMH

3.1 Incorporation and principal activity

EMH [Company registration no. 202101000235 (1400533-V)] was incorporated in Malaysia on 4 January 2021 as a private limited company. EMH principally involved in investment holding activities.

3.2 Share capital

As at LPD, EMH has an issued share capital of RM500,000, comprising 500,000 ordinary shares of RM1.00 each.

3.3 Directors and Shareholders

The Directors of EMH are as follows:-

- i) Suresh Narain Singh Sidhu
- ii) Muniff Bin Kamaruddin
- iii) Carson James Wolfer

The Shareholders of EMH are as follows:-

No	Name	Place of Incorporation	No. of Shares	%
1.	Edgepoint Holdco Pte Ltd	Singapore	245,000	49.0
2.	Mercu Infiniti Sdn Bhd	Malaysia	150,000	30.0
3.	Rangkaian Data Sdn Bhd	Malaysia	105,000	21.0
	Total		500,000	100.0

4. SALIENT TERMS OF THE MOU

- i) The Parties is desirous to enter into the MOU as an expression of their mutual understanding and intention to discuss and negotiate the Proposal and the possible collaboration between the Parties on a non-exclusive basis.

- ii) The MOU records the basic principles upon which the Proposal is intended to take place and the Parties hereby agree to commence discussion and negotiations in good faith the details on the structures and terms of the Proposal, with a view of reaching and finalization of definitive agreements to formalize the intentions and mutual agreement of the Parties regarding the Proposal (“**Definitive Agreements**”).
- iii) Pursuant to the above Item 4(i) and 4(ii) above, the discussions and negotiations of the terms and conditions may include :-
 - a) terms and time period of due diligence review of the Proposal;
 - b) the structure and terms of transaction of the Proposal;
 - c) the approvals and consents from authorities and third parties as may be required for the Proposals and advised by the advisers of the Parties; and
 - d) such other matters as the Parties may mutually determine.
- iv) The Parties shall respectively be responsible for ensuring the accuracy and adequacy of all information and data provided for or in relation to the Proposal including for the purposes of any the submission of any proposal, tender and/or application.
- v) The Parties agree that the MOU shall be effective from the date of the MOU (“**Effective Date**”) and shall continue until the earliest occurrence of the following events :
 - a) mutual agreement in writing to terminate the MOU; or
 - b) expiration of a period of twelve (12) months from the date of the MOU unless mutually extended in writing (“**Term**”); or
 - c) the execution of the Definitive Agreements by the Parties prior to the expiry of the Term.

4. RATIONALE OF THE MOU

The execution of the MOU is to record the general arrangement to define and regulate the relationship between the Parties in relation to the Proposal upon the terms and conditions contained in the MOU.

5. EFFECTS OF THE MOU

5.1 Issued share capital and substantial shareholders’ shareholdings

The MOU will not have any effect on the issued share capital and substantial shareholders’ shareholdings of Straits.

5.2 Net assets per share, earnings and earnings per share, and gearing level

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

6. APPROVALS REQUIRED

The MOU is not subject to the approval of the Shareholders of Straits or any approval from the regulatory authorities.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED

None of the Directors, major shareholders of Straits and/ or persons connected to them have any interest, whether direct or indirect, in the MOU.

8. DOCUMENTS FOR INSPECTION

A copy of the MOU will be made available for inspection at the Registered Office of Straits at No. 149A, 149B, 151B, Persiaran Raja Muda Musa, 42000 Port Klang, Selangor during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 15 March 2022.