

**SOLAR DISTRICT COOLING GROUP BERHAD (“SDCG” or “the Company”)
MEMORANDUM OF UNDERSTANDING BETWEEN SERIKANDI OIL FIELD
SERVICES SDN. BHD. AND SOLAR DISTRICT COOLING SDN. BHD., A
WHOLLY OWNED SUBSIDIARY OF SDCG**

1. INTRODUCTION

The Board of Directors of SDCG wishes to announce that its wholly-owned subsidiary, Solar District Cooling Sdn. Bhd. (Company Registration No. 200301004597 (607017-T)) (“**SDC**”) had on 4 October 2024 entered a Memorandum of Understanding (“**MOU**”) with Serikandi Oil Field Services Sdn. Bhd. (Company Registration No. RC00007573) (“**Serikandi**”) to strengthen and expand both parties’ business opportunity of solar air-conditioning and solar thermal systems & energy-saving services, provision and maintenance of BMS, gas fired chillers and chilled water systems in Brunei Darussalam. The commencement date of the MOU is 4 October 2024 and the validity of the MOU is 3 October 2026.

Serikandi and SDC individually be referred to as “the Party” and collectively be referred to as “the Parties”.

2. INFORMATION OF SERIKANDI

Serikandi is a company incorporated under the laws of Brunei Darussalam and having its registered office at Lot No. 09681, Jalan McKerron, Second Floor, Serikandi Headquarters Building, Kuala Belait KA1131, Brunei Darussalam.

The Directors of Serikandi are Shaikh Khalid bin Shaikh Hj Ahmad and Shamsul Hayat bin Haji Mohd Ali.

The shareholders of Serikandi are Shaikh Khalid bin Shaikh Hj Ahmad and Shamsul Hayat bin Haji Mohd Ali.

3. SALIENT TERMS OF THE MOU

The MOU, unless otherwise extended by mutual agreement of the Parties, terminate upon the happening of any of the following events whichever shall occur first in time:

- (a) By the mutual agreement of the Parties;
- (b) In case, either Party herein or its holding company goes into liquidation (whether voluntary or involuntary), makes arrangement, composition or compromise with its creditors or has receiver appointed in respect of whole or part of its assets; or any equivalent event occurs under the relevant applicable laws of the country governing the Party or its holding company; or

- (c) In case, Parties are not successful in securing any business within 24 months from the effective date.
- (d) Breach of any of the material provisions of the MOU by one of the Parties, provided that the non-defaulting Party has given 14 days' notice in writing of the breach, and the defaulting Party has failed to initiate any action and thereafter does not pursue diligently with such initiated action towards remedying the breach within such 14 days' notice period.

4. RATIONALE OF THE MOU

The purpose of the MOU is to reflect the common understanding on a binding basis between the Parties with respect to the exchange of information as well as technical and commercial co-operation in potential business opportunities of Solar Air-conditioning and solar thermal systems & energy-saving services, provision and maintenance of BMS, gas fired chillers and chilled water systems in Brunei Darussalam.

5. FINANCIAL EFFECTS

The MOU is not expected to have any effect on the issued share and substantial shareholders' shareholdings of the Company, as it does not involve the issuance of any new ordinary shares in the Company.

The MOU is not expected to have any material immediate impact on the Company's earnings per share, net assets and gearing for the financial year ending 31 December 2024.

6. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors, Substantial Shareholders of the Company or persons connected to them have any interest, whether direct and/or indirect, in the MOU.

7. APPROVAL REQUIRED

The execution of the MOU is not subject to the approval of the shareholders of the Company or any relevant authorities.

8. STATEMENT BY DIRECTORS

The Board of Directors, having taken into consideration all aspects of the MOU, is of the opinion that the MOU is in the best interest of the Company.

The announcement is dated 4 October 2024.