

**SOLAR DISTRICT COOLING GROUP BERHAD (“SDCG” or “the Company”)
POWER PURCHASE AGREEMENT BETWEEN WANA PROPERTIES 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 16 May 2025 entered into a Power Purchase Agreement (“the PPA”) with Wana Properties Sdn. Bhd. (Company Registration No. 199701007556 (423052-X)) (“WANA”) for a period of 21 years from the date of the PPA, where SDC will install, own, operate and maintain the solar system at the rooftop of the building held by WANA's property located at Melaka to generate electrical energy and WANA will purchase the electricity generated from the solar system.

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

2. INFORMATION OF WANA

WANA is a company incorporated in Malaysia and having its registered office at B-1-2, 1st Floor, Block B. No. 8, Jalan PJU 1A/20A, Dataran Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Directors of WANA are

- Datin Hajjah Hartini @ Gayah Binti Osman
- Dato Haji Zainal Abidin Bin Haji Sakom
- Zulhairi Bin Jalaluddin

The shareholders of WANA is

- Prihatin Ehsan Holdings Sdn Bhd

3. SALIENT TERMS OF THE PPA

3.1 Termination: Event of Default

3.1.1 If an Event of Default occurs as a result of one Party's default, the Party not in default ("Non-Defaulting Party") may, on the occurrence of an Event of Default, pursue any remedy under this Agreement, at law or in equity, including an action for damages and termination of this Agreement or suspension of performance of its obligations under this Agreement, upon five (5) days prior written notice to the Party in default ("Defaulting Party") following the occurrence of the Event of Default. Nothing herein shall limit either Party's right to claim damages upon the occurrence of a breach or a default by the other Party that does not become an Event of Default.

3.2 Termination due to Customer Event of Default

3.2.1 In the event that this Agreement is terminated by the Supplier due to a Customer Event of Default, the Customer shall pay to the Supplier (i) the Purchase Price, (ii) the costs as provided in Clause 17.4(a), and (iii) any and all other amounts previously accrued under this Agreement and owed by the Customer to the Supplier. The Purchase Price shall be due and payable within thirty (30) days after the date of termination of this Agreement failing which an interest calculated in accordance with Clause 8.6 will be imposed on the outstanding amount until full payment has been received by the Supplier. Upon payment of the Purchase Price, the Solar System shall belong to the Customer and all information pertaining to the Solar System shall be given to the Customer. The Customer acknowledges and agrees that the Purchase Price is not disproportionate, extravagant or unconscionable with regard to the Supplier's present and future interests in the performance of this Agreement and does not exceed a genuine pre-estimate of the Supplier's loss.

3.3 Termination due to Supplier Event of Default

3.3.1 In the event that this Agreement is terminated due to a Supplier Event of Default, the Supplier shall bear the cost of removal of the Solar System as stated under Clause 17.4(b).

3.4 Removal of Solar System

3.4.1 Upon the early termination of this Agreement prior to the expiry of the Term in accordance with Clauses 17.2, and 17.3, the Supplier shall immediately do the needful to remove the Solar System from the Premises and to reinstate the Premises to its original state and conditions (fair wear and tear excepted) and the Customer will provide sufficient space for temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities reasonably necessary during the Solar System removal. The cost for removal of the Solar System shall be borne:

- (a) by the Customer, if this Agreement is terminated due to Customer's Event of Default;
- (b) by the Supplier, if this Agreement is terminated due to Supplier's Event of Default; or
- (c) by the Customer and Supplier equally, if this Agreement is terminated due to neither Parties' default.

3.5 Termination: No Event of Default

3.5.1 The Customer may, at any time, for any reason or no reason, for its sole convenience and sole discretion, upon notice in writing to Supplier, terminate

this Agreement. Upon termination, the Customer shall pay the Supplier (i) the Purchase Price of the Solar System (ii) the costs as provided in Clause 17.4(a).

3.6 Value of the PPA

The estimated value of the PPA is based on the projected electricity selling price in the range of RM78,000 to RM64,000 annually for 21 years of the contract period.

3.7 Tenure of the PPA

The tenure of the PPA is 21 years.

3.8 Risks Associated with the PPA

The Company does not expect any material risk arising from the PPA other than normal operational risk associated with the PPA which the Group would take appropriate measures to minimise them.

4. FINANCIAL EFFECTS

The PPA 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 PPA 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 2025.

5. 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 PPA.

6. APPROVAL REQUIRED

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

7. STATEMENT BY DIRECTORS

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

The announcement is dated 16 May 2025.