



# **SOLAR DISTRICT COOLING GROUP BERHAD**

**Registration No. 202301015665 (1509587-U)**

**(Incorporated in Malaysia under the Companies Act 2016)**

**UNAUDITED INTERIM FINANCIAL REPORT**

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025**

# SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Third Quarter Ended 30 September 2025<sup>(1)</sup>

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current year quarter	Unaudited Preceding year quarter	Unaudited Current year- to-date	Unaudited Preceding year- to-date
		30/9/2025 RM'000	30/9/2024 RM'000	30/9/2025 RM'000	30/9/2024 RM'000
Revenue	<b>A9</b>	8,498	5,409	18,205	16,075
Cost of sales		(3,608)	(1,917)	(8,370)	(6,597)
Gross profit		4,890	3,492	9,835	9,478
Other income		535	74	1,598	102
Administrative expenses		(1,895)	(3,677)	(5,691)	(6,445)
Other expenses		(111)	(375)	(689)	(508)
Net impairment (losses)/gain on financial asset		(209)	(20)	(463)	50
Profit/(Loss) before interest and tax		3,210	(506)	4,590	2,677
Finance costs		(2)	(7)	(7)	(22)
Profit/(Loss) before taxation	<b>B13</b>	3,208	(513)	4,583	2,655
Income tax expense	<b>B5</b>	(390)	(356)	(670)	(1,066)
Profit/(Loss) and total comprehensive income/(loss) for the financial period		2,818	(869)	3,913	1,589
Profit/(Loss) attributable to:					
Owners of the Group		2,818	(869)	3,913	1,589
Total comprehensive income/(loss) attributable to:					
Owners of the Group		2,818	(869)	3,913	1,589
Earnings/(Loss) per share attributable to owners of the Group:					
- Basic (sen) <sup>(2)</sup>	<b>B12</b>	0.66	(0.32)	0.92	1.73
- Diluted (sen) <sup>(3)</sup>	<b>B12</b>	0.66	(0.32)	0.92	1.73

### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share ("EPS") is calculated based on the profits attributable to owners of the Group divided by the Group's weighted average number of ordinary shares of 423,822,460 (30 September 2024: 274,194,927) and 423,822,460 (30 September 2024: 92,065,516) for the preceding corresponding quarter and year to date as defined in Note B12.
- (3) The diluted EPS is equivalent to the basic EPS as the Group does not have any dilutive instruments as at the end of the quarter ended 30 September 2025.

# SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 September 2025<sup>(1)</sup>

	Note	Unaudited As at 30/9/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		4,740	4,231
Intangible asset		6	6
Deferred tax assets		621	621
		<u>5,367</u>	<u>4,858</u>
<b>Current Assets</b>			
Inventories		3,150	3,126
Trade receivables		7,935	9,306
Other receivables, deposits and prepayments		840	745
Contract assets		4,508	-
Fixed deposits with licensed banks		782	250
Current tax assets		1,005	14
Short term investments		45,362	44,978
Cash and bank balances		1,523	2,628
		<u>65,105</u>	<u>61,047</u>
<b>TOTAL ASSETS</b>		<b><u>70,472</u></b>	<b><u>65,905</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Group</b>			
Share capital		58,294	58,294
Reorganisation deficit		(14,258)	(14,258)
Retained profits		22,564	18,651
<b>TOTAL EQUITY</b>		<b><u>66,600</u></b>	<b><u>62,687</u></b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Hire purchase payables	<b>B8</b>	7	58
Term loan	<b>B8</b>	85	87
		<u>92</u>	<u>145</u>
<b>Current Liabilities</b>			
Trade payables		2,579	1,375
Other payables and accruals		1,131	1,297
Contract liabilities		-	180
Bank overdrafts		*	-
Hire purchase payables	<b>B8</b>	67	65
Term loan	<b>B8</b>	3	3
Current tax liabilities		-	153
		<u>3,780</u>	<u>3,073</u>
<b>TOTAL LIABILITIES</b>		<b>3,872</b>	<b>3,218</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>70,472</u></b>	<b><u>65,905</u></b>
<b>Net assets per share (RM)<sup>(2)</sup></b>		<b><u>0.16</u></b>	<b><u>0.15</u></b>

### Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Computed based on net assets attributable to owners of the Group divided by enlarged number of ordinary Shares of 423,822,460 Shares as defined in Note B12.

**SOLAR DISTRICT COOLING GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For The Third Quarter Ended 30 September 2025<sup>(1)</sup>

	Share capital	Invested capital	Reorganisation Deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2025 (Audited)</b>	58,294	-	(14,258)	18,651	62,687
<b>Profit and total comprehensive income for the financial period</b>	-	-	-	3,913	3,913
<b>As at 30 September 2025 (Unaudited)</b>	<u>58,294</u>	<u>-</u>	<u>(14,258)</u>	<u>22,564</u>	<u>66,600</u>
<b>As as at 1 January 2024 (Audited)</b>	*	1,000	-	18,603	19,603
<b>Profit and total comprehensive income for the financial period</b>	-	-	-	1,589	1,589
<b>Transaction with owners:</b>					
- Issuance of shares for the acquisition of a subsidiary	15,258	(1,000)	(14,258)	-	-
- Issuance of shares pursuant to an initial public offering	45,094	-	-	-	45,094
- Share issuance expenses	(2,058)	-	-	-	(2,058)
<b>Total contributions by and distributions to owners</b>	58,294	(1,000)	(14,258)	-	43,036
<b>Balance as at 30 September 2024 (Unaudited)</b>	<u>58,294</u>	<u>-</u>	<u>(14,258)</u>	<u>20,192</u>	<u>64,228</u>

**Notes:**

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(\*) RM 100 only.

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**SOLAR DISTRICT COOLING GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025<sup>(1)</sup>**

	Unaudited Current year- to-date 30/9/2025 RM'000	Unaudited Preceding year- to-date 30/9/2024 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before taxation	4,583	2,655
Adjustments for:-		
Depreciation of property, plant and equipment	851	1,136
Amortisation of intangible asset	*	*
Dividends income from short-term investments	(718)	-
Fair value gain on short-term investments	(844)	-
Gain on disposal of fixed assets	*	-
Impairment/(reversal) of losses on trade receivables	463	(50)
Unrealised loss on foreign exchange	373	344
Interest income	(16)	(102)
Interest expenses	7	22
Operating profit before working capital changes	<u>4,699</u>	<u>4,005</u>
Changes in working capital:-		
Increase in inventories	(24)	(926)
Decrease in trade and other receivables	821	284
Increase in trade and other payables	1,038	106
Increase in contract balances	(4,688)	-
	<u>(2,853)</u>	<u>(536)</u>
Cash from operations	1,846	3,469
Income tax refunded	9	248
Income tax paid	(1,823)	(1,717)
Net cash from operating activities	<u>32</u>	<u>2,000</u>
<b>Cash Flow For Investing Activities</b>		
Purchase of property, plant and equipment	(1,360)	(105)
Acquisition of intangible asset	-	(7)
Dividends received	718	-
(Placement)/Withdrawal of fixed deposit with tenure more than 3 months	(532)	5
Interest received	7	102
Net cash for investing activities	<u>(1,167)</u>	<u>(5)</u>
<b>Cash Flow For Financing Activities</b>		
Pursuant to an initial public offering, net of listing expenses	-	43,037
Repayment of term loans	(2)	(156)
Repayment of hire purchase payables	(48)	(46)
Interest paid	(7)	(22)
Net cash (for)/from financing activities	<u>(57)</u>	<u>42,813</u>
<b>Net (decreased)/increase in cash &amp; cash equivalents</b>	(1,192)	44,808
<b>Effects of foreign exchange translation</b>	471	(344)
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<u>47,630</u>	<u>6,138</u>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<u>46,909</u>	<u>50,602</u>
<b>Cash and cash equivalents at the end of the financial period comprises:-</b>		
Cash and bank balances	1,523	2,807
Fixed deposits with licensed banks	782	48,344
Short term investments	45,362	-
Bank overdrafts	*	(4)
	<u>47,667</u>	<u>51,147</u>
Less: Fixed deposits pledged to licensed banks	(758)	(545)
Less: Fixed deposit with tenure of more than 3 months	-	-
	<u>46,909</u>	<u>50,602</u>

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### **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025<sup>(1)</sup>**

#### **Notes:**

(1) The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(\*) Amount represents value less than RM500

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# SOLAR DISTRICT COOLING GROUP BERHAD

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## NOTES TO THE INTERIM FINANCIAL REPORT

### A EXPLANATORY NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARDS ("MFRS") 134 - INTERIM FINANCIAL REPORTING

#### A1 Basis of Preparation

This condensed consolidated interim financial report of Solar District Cooling Group Berhad and its subsidiaries (collectively, the "Group") is unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements.

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

#### A2 Material Accounting Policies

The material accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Audited Financial Statements of the Group for the financial year ended 31 December 2024 except for the following amendments to MFRS Accounting Standards that have been issued by the MASB.

Amendments to MFRS 121                      The Effects of Changes in Foreign Exchange Rates on Lack of Exchangeability

The adoption of the above amendments to MFRSs did not have any material impact on the financial statements of the Group.

The Group has not early adopted any accounting standards, interpretation or amendment to MFRS Accounting Standards that has been issued but is not yet effective.

#### A3 Auditors' Report of The Preceding Financial Year Ended 31 December 2024

There was no qualification on the audited financial statements of the Group and its subsidiaries for the financial year ended 31 December 2024.

#### A4 Seasonal or Cyclical Factors

The Group's operations during the current financial quarter under review and year-to-date were not materially affected by any seasonal or cyclical factors.

#### A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review and year-to-date.

#### A6 Material Changes in Estimates

There were changes in an accounting estimates arose from a review of the revenue recognition method from output method into input method. The effect of the change in the revenue recognition method increase the profit before taxation and contract assets of the Group by RM4.51 million for the current financial quarter under review and year-to-date.

#### A7 Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review and year-to-date.

#### A8 Dividend Paid

There was no dividend paid during the current financial quarter under review and year-to-date.

#### A9 Segmental Information

The segmental information based on the business segments and geographical locations are as follows:

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited Current year quarter 30/9/2025 RM'000	Unaudited Preceding year quarter 30/09/2024 RM'000	Unaudited Current year- to-date 30/9/2025 RM'000	Unaudited Preceding year- to-date 30/9/2024 RM'000
<b><u>Revenue by business segments</u></b>				
Building management systems ("BMS")	7,739	3,655	16,092	10,550
Solar thermal systems and energy saving services	207	1,354	1,261	3,999
Maintenance of other systems and equipment	552	400	852	1,526
<b>Total</b>	<b>8,498</b>	<b>5,409</b>	<b>18,205</b>	<b>16,075</b>
<b><u>Revenue by geographical locations</u></b>				
Malaysia	8,122	5,407	17,829	16,057
Other country:				
- Singapore	-	-	-	16
- Brunei	376	2	376	2
<b>Total</b>	<b>8,498</b>	<b>5,409</b>	<b>18,205</b>	<b>16,075</b>

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## NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

### A EXPLANATORY NOTES PURSUANT TO MFRS 134 - INTERIM FINANCIAL REPORTING (CONTINUED)

#### A10 Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the current financial quarter under review and year-to-date.

#### A11 Material Events Subsequent to the End of the Current Financial Quarter

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

#### A12 Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current financial quarter under review.

#### A13 Contingent Assets and Contingent Liabilities

Details of contingent liabilities of the Group are as follows:-

	Unaudited As at 30/9/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>Secured:</b>		
Bank guarantees extended to third parties	394	1,202

#### A14 Material Capital Commitments

	Unaudited As at 30/9/2025 RM'000	Audited As at 31/12/2024 RM'000
Approved and contracted for:		
- Construction of new shop office in Kajang, Selangor	65	105
- Purchase new tools and equipment for our BMS and solar thermal systems and energy saving services	-	265
- Purchase ICT software and services to improve our business operations	-	262
Approved but not contracted for:		
- Construction of new shop office in Kajang, Selangor	1,783	1,795
- Purchase new tools and equipment for our BMS and solar thermal systems and energy saving services	1,175	1,475
- Purchase ICT software and services to improve our business operations	199	520
	<u>3,222</u>	<u>4,422</u>

#### A15 Material Related Party Transaction

There was no material related party transaction entered into with related parties during the current financial quarter under review and year-to-date.

#### A16 Fair value of financial instruments

As at 30 September 2025, the Group has a financial asset instrument carried at fair value for the short-term investments by reference to the statements provided by respective financial institution for the current financial quarter under review and year-to-date.

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## NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES

#### B1 Review of Performance

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited Current year quarter 30/9/2025 RM'000	Unaudited Preceding year quarter 30/9/2024 RM'000	Unaudited Current year- to-date 30/9/2025 RM'000	Unaudited Preceding year- to-date 30/9/2024 RM'000
	Revenue	8,498	5,409	18,205
Gross Profit	4,890	3,492	9,835	9,478
Gross Profit margin (%)	57.54	64.56	54.02	58.96
Profit/(Loss) before taxation	3,208	(513)	4,583	2,655
Profit/(Loss) after taxation	2,818	(869)	3,913	1,589
Profit/(Loss) attributable to owners of the Group	2,818	(869)	3,913	1,589

The Group revenue increased by RM3.09 million or 57.11% to RM8.50 million in current financial quarter as compared to the preceding year quarter of RM5.41 million. This is mainly attributed to the increase of revenue from BMS segment by RM4.08 million to RM7.74 million (Q3 FY24: RM3.66 million) which had partially offset to the decrease of revenue contribution from solar thermal systems and energy saving services segment by RM1.15 million to RM0.21 million (Q3 FY24: RM1.35 million).

The Group revenue increased by RM2.13 million or 13.25% to RM18.21 million in current financial year-to-date as compared to the preceding year-to-date of RM16.08 million. The increase of revenue was mainly contributed from BMS segment by RM5.54 million to RM16.09 million (9M FY24: RM10.55 million) which mainly attributed to the revenue recognition from the ongoing Putrajaya government related project which commenced in current financial year and will be completed by next quarter, as well as the recognition of the ongoing project of Precinct 8 Putrajaya Project and Ministry of Energy Transition and Water Transformation which to complete by early of next financial year. The revenue was partly offset with the revenue contribution decrease from solar thermal systems and energy saving services segment by RM2.74 million to RM1.26 million (9M FY24: RM4.00 million) which was mainly attributed to the completion of energy performance contracts with One Medicare Sdn Bhd during March 2025 as well as the decrease of revenue attributed to the Chilled Water System maintenance project by RM0.67 million to RM0.85 million (9M FY24: RM1.53 million) due to revenue recognition for the remaining project site was completed on current financial year-to-date.

The Group recorded gross profit increase by RM1.40 million to RM4.89 million (Q3 FY24: RM3.49 million) despite the gross profit margin lower by 7.02% to 57.54% (Q3 FY24: 64.56%) for the current quarter under review. This was mainly due to the increase of gross profit contribution from the ongoing BMS project which was associated with a lower gross profit margin as compare to the BMS project from preceding year. The Group recorded gross profit increase by RM0.36 million to RM9.84 million (9M FY24: RM9.48 million) despite the gross profit margin lower by 4.94% to 54.02% (9M FY24: 58.96%) for the current financial year-to-date. Lower gross profit margin attributed to the back of the completion of energy performance contracts with One Medicare Sdn Bhd.

The Group registered increase of profit before tax by RM3.72 million to RM3.21 million (Q3 FY24: loss before tax of RM0.51 million) and profit after tax by RM3.69 million to RM2.82 million (Q3 FY24: loss after tax of RM0.87 million) for the current financial quarter. While for the current financial year-to-date of the Group's profit before tax increase by RM1.93 million to RM4.58 million (9M FY24: RM2.66 million) and profit after tax increase by RM2.32 million to RM3.91 million (9M FY24: RM1.59 million). These were mainly due to the Group incurred higher administrative expenses in preceding financial year attributed to the recognition of one off charged out of IPO expenses amounting to RM2.30 million upon the listed on ACE Market of Bursa Securities on 19 September 2024.

#### B2 Comparison with Immediate Preceding Quarter's result

	Individual Quarter		Changes RM'000	Changes %
	Current quarter 30/9/2025 RM'000	Immediate preceding quarter 30/6/2025 RM'000		
	Revenue	8,498		
Gross Profit	4,890	2,594	2,296	88.51
Gross Profit margin (%)	57.54	52.58	4.96	9.43
Profit before taxation	3,208	512	2,696	526.56
Profit after taxation	2,818	418	2,400	574.16
Profit attributable to owners of the Group	2,818	418	2,400	574.16

The Group's revenue for the current quarter increased by RM3.57 million or 72.27% to RM8.50 million as compared with the immediate preceding quarter of RM4.93 million. The increase of revenue was mainly attributed to the recognition of progress workdone on installation of equipment and device of BMS system for Putrajaya government related project and Precinct 8 Putrajaya Project.

The Group's gross profit for the current quarter grew by RM2.30 million to RM4.89 million as compared with the immediate preceding quarter of RM2.59 million, as well as the improved Group's gross profit margin of 57.54% as compare to the immediate preceding quarter of 52.58%. The growth are mainly attributed to the increase of gross profit and gross profit margin from BMS segment, especially the Precinct 8 Putrajaya Project and Ampang Office Tower Project which recorded gross losses in the immediate preceding quarter. These two projects collectively contributed to the increase in gross profit by RM1.89 million to RM1.67 million (Q2 FY25: gross loss of RM0.22 million) as the bulk of supply and installation costs were incurred in the preceding quarter.

The Group registered profit before tax of RM3.21 million for current quarter was increase by RM2.70 million as compared to the immediate preceding quarter of RM0.51 million due to the improvement of gross profit.

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## NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

#### B3 Prospects of the Group

The Group was listed on the ACE Market of Bursa Securities on 19 September 2024. Our business strategies and plans will continue to focus on our current core competencies in the provision of BMS and solar thermal systems and energy saving services to grow our business. In addition, we plan to address opportunities in solar PV systems. We intend to implement these business strategies and plans from 2024 to 2027. Our business strategies and plans are as follows:

(i) **Expand our Headquarters**

Our Headquarters is located on a land area of 4,628 sq. ft., of which the building of our Headquarters stands on 2,983 sq. ft. The remaining 1,645 sq. ft. of the land area is currently vacant. We have earmarked RM1.90 million from our IPO proceeds for the expansion of our Headquarters by constructing a new extension on the remaining vacant land, which will increase the built-up area of our existing Headquarters from 8,320 sq. ft. to approximately 14,000 sq. ft. We have appointed the professional consultant to perform a land survey and received of approval on building plan from Majlis Perbandaran Kajang during the current financial quarter under review and year-to-date.

(ii) **Purchase new tools and equipment for our BMS segment and solar thermal systems and energy saving services segment**

We currently utilise tools and equipment to carry out our systems integration and maintenance of BMS, and installation and maintenance of solar thermal hot water systems (under our energy performance services and as a standalone business activity). We have utilised partial of the IPO proceed to purchase the drones with thermal sensor and solar panel cleaning equipment to enhance our productivity and service delivery of these business activities. Meanwhile, part of the IPO proceed was also used in renovation of our existing office to improve the overall workplace experience.

(iii) **Purchasing and subscribing for ICT software and services to improve our business operations**

As part of our business strategy, we regularly purchase and subscribe to ICT software and services which improved our ICT resources on expanding our command and control centre function for the monitoring of connected BMS and solar thermal and hybrid hot water systems.

(iv) **Address opportunities in solar PV systems**

As part of our business strategy, we have commenced the solar PV system business based on the power purchase agreement ("PPA") mode of operation. Under this mode of operation, we will provide the whole or partial initial capital investment to design, supply, install and maintain the solar PV system at the customer's premises during the PPA contract period. On 16 May 2025, our wholly-owned subsidiary of the Group, Solar District Cooling Sdn Bhd ("SDC") had entered into a PPA with Wana Properties Sdn Bhd where the building is located at Melaka.

Premised on the above, the Board is continuously optimistic that the projects of the Group will continue to remain positive.

#### B4 Profit Forecast, Profit Guarantee and Internal Targets

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review and year-to-date.

#### B5 Taxation

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited Current year quarter 30/9/2025	Unaudited Preceding year quarter 30/9/2024	Unaudited Current year- to-date 30/9/2025	Unaudited Preceding year- to-date 30/9/2024
Current tax expense (RM'000)	390	356	670	1,066
Effective tax rate (%) <sup>(1)(2)</sup>	12.16	(69.40)	14.62	40.15
Statutory tax rate (%)	24.00	24.00	24.00	24.00

**Note:**

- (1) The Group's effective tax rate for current financial quarter and year-to-date was 12.16% and 14.62% which were lower than the statutory tax rate was mainly due to accelerated capital allowance and claim of balancing allowance from the disposal of concession assets.
- (2) The Group's effective tax rate was a credit of 69.40% for preceding financial quarter and 40.15% for preceding financial year-to-date, mainly due to under provision of prior year taxation and the non-taxable expenses incurred for the one off non-recurring listing expenses of RM2.30 million.

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)****B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)****B6 Status of Corporate Proposal**

There was no corporate proposal announced and not completed as at the date of this unaudited interim financial report.

**B7 Utilisation of Proceeds Raised from Public Issue**

The gross proceeds from the Public Issue amounting to RM45.09 million have been utilised in the following manner:-

Details of utilisation <sup>(1)</sup>		Proposed Utilisation RM'000	Percentage of Utilisation %	Actual Utilisation RM'000	Balance to be Utilised RM'000	Estimated timeframe for utilisation upon listing
(a)	Expansion of our Headquarters	1,900	4.21	52	1,848	Within 24 Months
(b)	Tender bonds and/or performance bonds for future projects	5,000	11.09	558	4,442	Within 24 Months
(c)	Purchase of materials for BMS segment and solar thermal systems and energy saving services segment	18,700	41.47	6,403	12,297	Within 36 Months
(d)	General working capital	12,673	28.10	9,228	3,445	Within 36 Months
(e)	Capital expenditure	2,522	5.59	1,148	1,374	Within 36 Months
(f)	Estimated IPO expenses	4,300	9.54	4,300	-	Within 3 Months
<b>Total</b>		<b>45,095</b>	<b>100.00</b>	<b>21,689</b>	<b>23,406</b>	

**Note:**

(1) The utilisation of the proceeds as disclosed above should be read in conjunction with the prospectus of the Group dated 28 August 2024.

**B8 Group Loans and Borrowings**

	Unaudited As at 30/9/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>Non-current</b>		
<b><u>Secured and guaranteed</u></b>		
Terms loan	85	87
Hire purchase payables	7	58
	<b>92</b>	<b>145</b>
<b>Current</b>		
<b><u>Secured and guaranteed</u></b>		
Terms loan	3	3
Hire purchase payables	67	65
	<b>70</b>	<b>68</b>
	<b>162</b>	<b>213</b>

The Group's borrowings are all denominated in RM and interest-bearing.

**B9 Derivative Financial Instruments**

The Group did not enter into any derivatives financial instruments during the current financial quarter under review and year-to-date.

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## NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)

#### B10 Material Litigations

Save as disclosed below, as at the date of this interim financial report, there is no other litigation or arbitration, which has a material effect on the financial position of the Group, and the Board of Directors of the Group are not aware of any other proceedings pending or threatened or of any fact likely to give rise to any other proceedings:

SDC had on 8 November 2022 initiated a legal action against Sedafiat seeking for the recovery of the outstanding sum of RM542,591.60, being the unpaid work done by SDC in respect of the Keningau Hospital Contract, along with the sum of RM24,082.15 being the late payment interests ("Main Claim").

Incidental to the above, Sedafiat's defence for the non-payment of the outstanding sum to SDC is premised on the basis that the purported arrears had been fully paid off up to date along with right to set-off based on the letter of award, to which SDC contests and denies the same.

Sedafiat had also initiated a counterclaim against SDC ("Counterclaim") for the sum of RM72,895.69 along with the withdrawal of the registration of Sedafiat's involvement as a defendant from CTOS Data Systems Sdn Bhd. In respect of the Counterclaim, Sedafiat submitted that, as a result of SDC's alleged non-compliance towards the energy savings guarantee as provided in SDC's earlier proposal, Sedafiat was made liable to pay MOH for the additional sum of RM72,895.69, being the increment utility cost for the electricity usage due to the alleged non-compliance by SDC, as such Sedafiat is alleging that it is entitled to claim the additional sum of RM72,895.69 from SDC.

The pre-trial case management for the Main Claim and Counterclaim was completed on 22 June 2023, and the Court had issued pre-trial directions to the proceedings, namely for the filing of the relevant cause papers prior to the schedules trial dates. Upon the full trial on 20 February 2025 and 11 June 2025, we were inform that the Court's decision will be on 4 December 2025. As at the date of this interim financial report, based on the pleadings of the case, the counsel for SDC is of the professional opinion that SDC has a reasonable prospect of success in the Main Claim as the Main Claim is premised on the unpaid contractual monthly payments for the work done by SDC as provided under the Keningau Hospital Contract and, in the event of a positive outcome arising from the Main Claim, the counsel for SDC is of the professional opinion that the Counterclaim may likely be unsustainable as the alleged shortfall in the energy savings was due to various factors not attributable to SDC.

#### B11 Dividends proposed

No dividend has been declared or recommended by the Board of Directors for the current financial quarter under review.

#### B12 Earnings Per Share ("EPS")

The basic and diluted EPS for the current financial quarter under review and year-to-date are computed as follows:

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current year	Preceding	Current year-	Preceding year-
	quarter	year quarter	to-date	to-date
	30/9/2025	30/9/2024	30/9/2025	30/09/2024
Profit/(Loss) attributable to owners of the Group (RM'000)	2,818	(869)	3,913	1,589
Weighted average number of ordinary Shares in issue ('000)	423,822	274,195	423,822	92,066
<b>Basic/Diluted EPS/LPS (sen)<sup>(1)(2)</sup></b>	<u>0.66</u>	<u>(0.32)</u>	<u>0.92</u>	<u>1.73</u>

#### Notes:

- (1) Basic EPS is calculated based on the profits attributable to owners of the Group divided by the Group's weighted average number of ordinary shares for the current financial quarter under review and year-to-date divided by the Group's number of ordinary shares issued upon completion of acquisition of SDC but before IPO for the preceding quarter under review and year-to-date.
- (2) The diluted EPS/LPS is equivalent to the basic EPS as the Group does not have any dilutive instruments as at the end of the current financial quarter under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)****B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES (CONTINUED)****B13 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

The following items have been charged/(credited) in arriving at the profit before tax for the current financial quarter under review and year-to-date:

	Individual 3rd Quarter Unaudited Current year quarter 30/9/2025 RM'000	Unaudited Preceding year quarter 30/9/2024 RM'000	Cumulative 3rd Quarter Unaudited Current year- to-date 30/9/2025 RM'000	Unaudited Preceding year- to-date 30/9/2024 RM'000
<b>Profit before taxation is arrived at after charging/(crediting):</b>				
Impairment/(reversal) of losses on trade receivables	209	20	463	(50)
Depreciation of property, plant and equipment	131	382	851	1,136
Amortisation of intangible asset	*	*	*	*
Interest expenses	2	7	7	22
Interest income	(4)	(74)	(16)	(102)
Loss/(Gain) on foreign exchange				
- realised	(18)	(20)	(20)	21
- unrealised	(19)	344	373	344
Gain on disposal of fixed assets	*	-	*	-
Dividends income from short-term investments	(294)	-	(718)	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:	(219)	-	(844)	-
- short-term investments				

**Notes:**

(\*) Amount represents value less than RM500

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

**B14 Authorisation for Issue**

This interim financial report was authorised for issue by the Board of Directors of the Group in accordance with a resolution passed by the Board of Directors on 24 November 2025.

**BY ORDER OF THE BOARD OF DIRECTORS OF SOLAR DISTRICT COOLING GROUP BERHAD  
24 NOVEMBER 2025**

- END OF REPORT-