

## SOLAR DISTRICT COOLING GROUP BERHAD (“SDCG” OR THE “COMPANY”)

### (I) PROPOSED BONUS ISSUE OF WARRANTS; AND

### (II) PROPOSED EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”)

### (COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

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## 1. INTRODUCTION

On behalf of the Board of Directors of SDCG (“**Board**”), Malacca Securities Sdn Bhd (“**Malacca Securities**”) wishes to announce that the Company proposes to undertake the following proposals:

- (i) proposed bonus issue of warrants (“**Warrant(s)**”) on the basis of 1 Warrant for every 2 existing ordinary shares in SDCG (“**SDCG Share(s)**” or “**Share(s)**”) held by the entitled shareholders of the Company on an entitlement date to be determined and announced later (“**Entitled Shareholders**”) (“**Entitlement Date**”) (“**Proposed Bonus Issue of Warrants**”); and
- (ii) proposed establishment of an employees’ share option scheme (“**ESOS**”) of up to 10.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible directors and employees of the Company and its subsidiaries (“**SDCG Group**” or the “**Group**”) (“**Proposed ESOS**”).

## 2. DETAILS OF THE PROPOSALS

### 2.1 Details of the Proposed Bonus Issue of Warrants

#### 2.1.1 Basis and number of Warrants to be issued

As at 24 December 2025, being the latest practicable date prior to the date of this announcement (“**LPD**”), SDCG has a total issued share capital of RM58,294,274.00 (after capitalisation of listing expenses related to new issuance of Shares of RM2,058,044.00) comprising 423,822,460 SDCG Shares. For avoidance of doubt, the Company does not have any convertible securities and does not hold any treasury shares as at the LPD.

The Proposed Bonus Issue of Warrants will entail an issuance of up to 211,911,230 Warrants on the basis of 1 Warrant for every 2 existing SDCG Shares held by the Entitled Shareholders on the Entitlement Date.

The basis of entitlements for the Proposed Bonus Issue of Warrants were determined after taking into consideration the following:

- (a) compliance with Rule 6.51 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) where the total number of new Shares arising from the exercise of the Warrants must not exceed 50.0% of the Company’s total number of issued shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times;
- (b) dilutive effects arising from the full exercise of Warrants on the consolidated earnings per Share (“**EPS**”) of the Company; and
- (c) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the Exercise Period (as defined herein).

It is the intention of the Company to implement the Proposed Bonus Issue of Warrants before the Proposed ESOS. For illustration purposes in relation to item (a) above, the maximum number of new Shares arising from the exercise of 211,911,230 Warrants to be issued under the Proposed Bonus Issue of Warrants is 211,911,230 SDCG Shares (i.e. 50.0% of

423,822,460 SDCG Shares as at the LPD). Thus, the Proposed Bonus Issue of Warrants is in compliance with Rule 6.51 of the Listing Requirements.

The fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with by the Board in such manner in its absolute discretion deem fit and expedient, and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date by the Board upon receipt of all relevant approvals.

The Proposed Bonus Issue of Warrants will be implemented in a single tranche.

## 2.1.2 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out as follows:

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 211,911,230 Warrants.
Form and denomination	: The Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company and as may be supplemented from time to time (" <b>Deed Poll</b> ").
Tenure	: 5 years commencing from and inclusive of the date of issuance of the Warrants (" <b>Issue Date</b> ").
Exercise Period	: The Warrants may be exercised at any time within the tenure of the Warrants commencing from and including the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date (as defined below) (" <b>Exercise Period</b> "). Any Warrants which have not been exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.
Warrants Exercise Price	: Please refer to Section 2.1.3 of this announcement for the basis of determining the Warrants Exercise Price. The Warrants Exercise Price shall however be subject to the adjustments in accordance with the provisions of the Deed Poll.
Exercise Rights	: Each Warrant entitles the holder of the Warrants (" <b>Warrant Holder(s)</b> ") to subscribe for one (1) new SDCG Share at the Warrants Exercise Price at any time during the Exercise Period, subject to the provision of the Deed Poll.
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the fifth anniversary of the Issue Date. If such day is not a Market Day, then it shall be on the immediate preceding Market Day (" <b>Expiry Date</b> ").
Mode of exercise	: The Warrant Holders are required to lodge an exercise form (in the form as set out in the Deed Poll) with the Company's share registrar which is duly completed and signed together with payment by way of banker's draft or cashier's order (drawn on a bank operating in Malaysia) or money order or postal order (issued by a post office in Malaysia) or with a remittance by way of interbank transfer or by way of internet bank transfer to the designated bank account for the aggregate of the Warrants Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

<b>Terms</b>	<b>Details</b>
Board lot	: For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants or such other denomination as determined by Bursa Securities.
Adjustments in the Warrants Exercise Price and/ or number of Warrants	: The Warrants Exercise Price and/ or the number of Warrants held by each Warrant Holder shall from time to time be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
Status of the new SDCG Shares to be issued from the exercise of the Warrants	: The new SDCG Shares to be issued and allotted arising from the exercise of the Warrants shall, upon issuance and allotment, rank <i>pari passu</i> in all respects with the then existing SDCG Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution that may be declared, made or paid to the shareholders, for which the record date is prior to the date of allotment of such new SDCG Shares to be issued arising from the exercise of the Warrants.
Modification of rights of Warrant Holders	: Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: <ul style="list-style-type: none"> <li>(i) approved by the Warrant Holders sanctioned by special resolution;</li> <li>(ii) effected by a supplemental Deed Poll;</li> <li>(iii) executed by the Company and expressed to be supplemental; and</li> <li>(iv) comply with the requirements of the Deed Poll.</li> </ul> <p>The Company may from time to time without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect:</p> <ul style="list-style-type: none"> <li>(i) any modification to the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or</li> <li>(ii) any modification to the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of Bursa Depository, Securities Industry (Central Depositories) Act, 1991 and/ or Listing Requirements.</li> </ul>
Rights of Warrants holders	: The Warrants do not entitle the Warrant Holders to any voting rights or to participate in any distribution and/ or offer of further securities in the Company until and unless such Warrant Holders are issued with new SDCG Shares arising from the exercise of their Warrants in accordance with the terms and provisions of the Deed Poll.

<b>Terms</b>	<b>Details</b>
Rights in the event of winding up, liquidation, compromise and / or arrangement	<p>: As long as any of the exercise rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then:</p> <p>(i) if such winding-up, compromise or arrangement has been approved by the Warrant Holders, or some persons designated by them for such purpose by a special resolution, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or</p> <p>(ii) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants together with the duly completed exercise form and payment of the relevant exercise price, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the exercise rights represented by such Warrants to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrants, to which he/ she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly. All exercise rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrants will cease to be valid for any purpose.</p> <p>Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.</p>
Listing	: The Warrants will be listed on the ACE Market of Bursa Securities.
Transferability	: The Warrants shall be transferable in accordance with provisions of the Deed Poll subject always to the prevailing provisions of the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.
Governing law	: Laws of Malaysia

### 2.1.3 Basis and justification for the Warrants Exercise Price of the Warrants

The Warrants will be issued at no cost to Entitled Shareholders.

The Warrants Exercise Price of the Warrants will be determined and announced at a later date by the Board after receipt of all relevant approvals but before the announcement of the Entitlement Date. The Board has determined that the Warrants Exercise Price shall be fixed at a premium of not more than 50.0% to the 5-day volume weighted average price (“**5D-VWAMP**”) of SDCG Shares prior to the price fixing date.

The Warrants Exercise Price will be determined and fixed by the Board after taking into consideration, amongst others, the following:

- (i) the historical price movement of SDCG Shares;
- (ii) the 5D-VWAMP of SDCG Shares immediately preceding the price-fixing date to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future prospects and funding requirements of SDCG and its subsidiaries (“**SDCG Group**” or “**Group**”).

For illustrative purpose only, the indicative Warrants Exercise Price of the Warrants is assumed to be at RM0.80 each (“**Indicative Warrants Exercise Price**”), which represents a premium of approximately 37.7% to the 5D-VWAMP of SDCG Shares up to and including the LPD of RM0.5808 per Share. For clarity, the Warrants Exercise Price shall be fixed at a premium of not more than 50.0% to the 5D-VWAMP of SDCG Shares prior to the price fixing date.

### 2.1.4 Ranking of the Warrants and the new SDCG Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or participation in any form of distribution other than on winding-up, compromise or arrangement of SDCG as set out in a Deed Poll constituting the Warrants in SDCG until and unless such Warrant Holders exercise their Warrants into new SDCG Shares.

The new SDCG Shares to be issued upon the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing SDCG Shares, save and except that they shall not be entitled to participate in any rights, allotments, dividends and/or other forms of distributions, where the entitlement date of which precedes the date of allotment of the said new SDCG Shares issued pursuant to the exercise of the Warrants.

### 2.1.5 Listing and quotation of the Warrants and new SDCG Shares to be issued arising from the exercise of Warrants

An application will be made to Bursa Securities for:

- (i) the admission of the Warrants to the Official List of Bursa Securities; and
- (ii) the listing and quotation of the Warrants and new SDCG Shares to be issued arising from the exercise of the Warrants.

### 2.1.6 Utilisation of proceeds from the exercise of Warrants

The Proposed Bonus Issue of Warrants is not expected to raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the Exercise Period as well as the Exercise Price of the Warrants, which will be determined and fixed at a later date. As such, the exact quantum and timeframe for the utilisation of proceeds to be raised cannot be determined at this juncture.

For illustration purposes, the gross proceeds to be raised assuming full exercise of the Warrants based on the Indicative Warrants Exercise Price is approximately RM169.53 million. Such proceeds to be raised, as and when the Warrants are exercised, will be earmarked to meet the Group's working capital requirements for its daily operations including but not limited to the purchase of inventories, material and equipment costs as well as defrayment of operational and administrative expenses such as payment of staff salaries and staff related costs, utilities and marketing expenses. The proceeds to be utilised for each component of working capital are subject to the Group's operating requirements at the time of receipt of the proceeds, and hence cannot be determined at this juncture.

Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of funds. Pending the utilisation of proceeds, such proceeds to be raised from the exercise of the Warrants shall be placed in deposits with financial institutions or short-term money market instruments as the Board deems fit. The interest derived from such deposits or any gains from such money market instruments will be used for the working capital requirements (as mentioned above) for the Group.

## 2.2 Details of the Proposed ESOS

SDCG proposes to establish and implement the Proposed ESOS which involve granting of options to subscribe for new Shares ("**ESOS Option(s)**" or "**Option(s)**") at prices to be determined in the manner set out in Section 2.2.5 of this announcement to all employees and Directors of the SDCG Group who meet the eligibility criteria for participation in the Proposed ESOS ("**Eligible Employee(s)**") as set out in the by-laws governing the Proposed ESOS ("**By-Laws**") and subject to such participation in the Proposed ESOS not contravening any foreign laws, regulatory requirements, and/or administrative constraints in the respective countries where the SDCG Group operates.

The Proposed ESOS will be administered in accordance with the By-Laws by a committee, the members to be appointed and duly authorised by the Board ("**ESOS Committee**"). As at the LPD, the ESOS Committee has yet to be appointed.

### 2.2.1 Maximum number of new SDCG Shares available under the Proposed ESOS

The maximum number of new SDCG Shares which may be issued and allotted under the Proposed ESOS shall not in aggregate exceed 10.0% of the total number of issued shares of the Company (excluding treasury shares, if any) ("**Maximum ESOS Options**") at any point in time over the duration of the Proposed ESOS as set out in Section 2.2.4 of this announcement.

In the event where the Company purchases or cancels its own Shares in accordance with Section 127 of the Companies Act 2016 or undertakes any other corporate proposal resulting in the total number of new SDCG Shares to be issued under the Proposed ESOS exceeding the Maximum ESOS Options or in the reduction of its total number of issued shares (excluding treasury shares, if any), the following provisions shall apply in respect of future offers but all the ESOS Options granted prior to such purchase and/or reduction/adjustment of the issued ordinary share capital of the Company shall remain valid or exercisable in accordance with the provisions of the By-Laws as if that reduction/adjustment had not occurred:

- (i) if, after such purchase, cancellation and/or reduction, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase,

cancellation and/or reduction of Shares is greater than the Maximum ESOS Options, no further offers shall be made by the ESOS Committee until such aggregate number of ESOS Options granted falls below the Maximum ESOS Options; and

- (ii) if, after such purchase, cancellation and/or reduction, the aggregate number of ESOS Options granted (whether or not exercised) by the Company as at the date of purchase, cancellation and/or reduction of Shares is less than the Maximum ESOS Options, the ESOS Committee may make further offers but only until such aggregate number of ESOS Options is equivalent to the Maximum ESOS Options after such purchase, cancellation and/or reduction.

### **2.2.2 Basis of allotment and maximum allowable allocation**

The aggregate number of new Shares that may be offered under the ESOS Options and allotted and issued to an Eligible Employee who has been selected by the ESOS Committee ("**Selected Employee**") shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, *inter-alia*, the Eligible Employee's length of service, seniority, performance in the Group and such other factors as the ESOS Committee deems fit, subject to the following:

- (i) no allocation of more than 80.0% of the total ESOS Options shall be made in aggregate to the Directors and/or key senior management of the SDCG Group; and
- (ii) no allocation of more than 10.0% of the total ESOS Options shall be made to any Selected Employee who, either singly or collectively through persons connected with them, holds 20.0% or more of the total number of issued shares (excluding treasury shares, if any) of SDCG. The term "persons connected" shall have the same meaning as that in the Listing Requirements.

The ESOS Committee shall also have absolute discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions, which may include amongst others, the achievement of relevant service objectives and specific performance targets of the Selected Employee and/or the SDCG Group as measured by both qualitative and quantitative key performance indicators including financial and non-financial performance measures as determined by the ESOS Committee during the ESOS Period.

### **2.2.3 Eligibility to participate in the Proposed ESOS**

An employee who fulfils the following criteria as at the date on which an offer is made in writing by the ESOS Committee to a Selected Employee ("**Offer**") ("**Offer Date**") shall be eligible to participate in the Proposed ESOS:

- (i) the employee is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (ii) the employee has been in full time employment (not on contract basis) by and is on the payroll of a company within the SDCG Group for a continuous period of at least 12 months (which shall include any probation period) and his employment with the SDCG Group must have been confirmed in writing on or prior to the Offer Date; and/or
- (iii) the Employee must fulfil such other eligibility criteria as may be determined by the ESOS Committee from time to time.

A director of SDCG Group who fulfils the following criteria as at the Offer Date shall be eligible to participate in the Proposed ESOS:

- (i) the director is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (ii) the director must have been appointed as a Director of a company within the SDCG Group for a continuous period of at least 12 months prior to the Offer Date.

For avoidance of doubt, Directors or employees of companies within the SDCG Group which are dormant are not eligible to participate in the Proposed ESOS.

Notwithstanding the above, the selection for participation in the Proposed ESOS shall be at the discretion of the ESOS Committee. The ESOS Committee may at any time and from time to time before and after the ESOS Options are granted, limit the exercise of the ESOS Options to a maximum number of new SDCG Shares and/or such percentage of the total SDCG Shares comprised in the ESOS Options during such period within the Option Period and impose any other terms and/or conditions as the ESOS Committee may, in its sole discretion deem appropriate including amending or varying any terms and conditions imposed earlier. Thereafter, the Selected Employee who has accepted the Offer ("**Participant(s)**") is free to exercise the ESOS Options. The selection of any Eligible Employees for participation in the Proposed ESOS made by the ESOS Committee will be final and binding.

The ESOS Committee may make more than 1 Offer to any Selected Employee provided always that the aggregate number of Shares comprised in the ESOS Options shall not exceed the Maximum Allowable Allocation.

#### **2.2.4 Duration of the Proposed ESOS**

The Proposed ESOS shall continue to be in force for a period of 5 years from the Effective Date, provided always that on or before the expiry thereof, the Board shall have the discretion, without the Company's shareholders' approval, upon recommendation of the ESOS Committee to extend in writing the tenure of the Proposed ESOS for another 5 years or such shorter period as it deems fit immediately from the expiry of the first 5 years, provided that the Proposed ESOS does not exceed a maximum period of 10 years in its entirety ("**ESOS Period**").

On expiry of the Proposed ESOS, any Offer(s) which have yet to be accepted, released and/or vested (whether fully or partially) shall be deemed cancelled and be null and void.

#### **2.2.5 Basis of determining the ESOS Exercise Price**

Subject to any adjustments made under the By-Laws and pursuant to the Listing Requirements, the ESOS Exercise Price shall be based on the 5D-VWAMP of SDCG Shares immediately preceding the Offer Date with a discount of not more than 10.0% to the 5D-VWAMP of SDCG Shares preceding the Offer Date, or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the ESOS Period.

#### **2.2.6 Ranking of new SDCG Shares**

All new Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SDCG Shares, save and except that the new SDCG shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid, prior to the relevant date of the allotment of the new SDCG Shares.

### **2.2.7 Modification, variation and/or amendment to the Proposed ESOS**

Subject to the By-Laws and in compliance with the Listing Requirements and the approvals of any other authorities (if required), the ESOS Committee may at any time and from time to time recommend to the Board any additions, amendments and/or modifications to and/or deletions of the By-Laws as it shall in its discretion think fit and the Board shall at any time and from time to time have the power by resolution to add to, amend, modify and/or delete all or any part of the By-Laws upon such recommendation.

The approval of the shareholders of SDCG in general meeting shall not be required in respect of additions, amendment and/or modification to or deletion of the By-Laws save and except if such addition, amendment, modifications and/or deletion would:

- (i) increase the number of ESOS Options available under the Proposed ESOS beyond the Maximum ESOS Options; or
- (ii) provide an advantage to any Participant or group of Participants or all the Participants unless otherwise permitted under the provisions of the Listing Requirements.

Where an amendment and/or modification is made to the By-Laws, SDCG shall submit to Bursa Securities, the amendment and/or modification to the By-Laws and a confirmation letter that the amendment and/or modification complies with the provisions of the guidelines on employee share scheme stipulated under the Listing Requirements no later than 5 market days from the effective date of the said amendment and/or modification.

### **2.2.8 Retention period of Shares**

The Shares allotted and issued or transferred pursuant to the exercise of ESOS Options under the Proposed ESOS may be subjected to such retention period or restriction on transfer as may be imposed by the ESOS Committee, save as otherwise provided in the Constitution of SDCG, the Listing Requirements or unless the ESOS Committee stipulates otherwise in the Offer.

A Participant who is a Non-Executive Director of SDCG Group must not sell, transfer or assign any new SDCG Shares obtained through the exercise of ESOS Options offered to him/her pursuant to the Proposed ESOS within 1 year from the Offer Date.

### **2.2.9 Alteration of share capital**

In the event of any alteration in the capital structure of SDCG during the ESOS Period, whether by way of rights issue, bonus issue or other capitalisation issues, subdivision or consolidation of SDCG Shares or reduction of capital, declaration of any special dividend or distribution or any other variation of capital being effected, the ESOS Committee may determine whether a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of SDCG during the ESOS Period and if it so determines (i.e. that a material dilution or enlargement of the rights of the Participants would result from such alteration in the capital structure of SDCG), adjustments in:

- (i) the Exercise Price; and/or
- (ii) the number of SDCG Shares comprised in the Offer,

shall be made in order to prevent dilution or enlargement in compliance with the provisions of adjustments as provided under the By-Laws.

### **2.2.10 Listing of Shares**

An application will be made to Bursa Securities for the listing and quotation of the new SDCG Shares to be issued arising from the exercise of ESOS Options on the ACE Market of Bursa Securities.

### 2.2.11 Termination of the ESOS

Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Proposed ESOS may be terminated at any time by the ESOS Committee during the ESOS Period or during any extension or renewal period, as the case may be, without obtaining the approvals/ consents from its shareholders or the Participants whereupon any ESOS Options which have yet to be vested and/or exercised (whether fully or partially) shall be deemed to have been terminated and cancelled and be null and void on the date specified in the notice; provided always that the Company makes an announcement immediately to Bursa Securities.

### 2.2.12 Utilisation of proceeds from the exercise of ESOS Options

The actual amount of proceeds to be raised from the Proposed ESOS will depend on, amongst others, the number of ESOS Options granted and exercised during the ESOS Period and the ESOS Exercise Price payable upon the exercise of the ESOS Options.

The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of SDCG Group, as and when received, within the tenure of the ESOS Period. As such, the exact timeframe for utilisation of the proceeds cannot be determined at this juncture. The proceeds for working capital will be utilised to finance the Group's operational expenses which may include, but not limited to, staff salaries and staff related costs, utilities, marketing expenses, payment to trade creditors and overhead expenses. Notwithstanding the foregoing, the detailed allocation to each component of the working capital cannot be determined at this juncture as there is no certainty in the timing and amount to be raised from the exercise of the ESOS Options.

### 2.2.13 Details of Proposed Allocations

Subject to the provisions of the By-Laws, SDCG proposes to seek its shareholders' approval at the Company' forthcoming EGM for the proposed specific allocations of ESOS Options to the following Directors, and/or major shareholders who are employees of SDCG Group ("**Proposed Allocations**"):

<u>Name</u>	<u>Designation</u>	<u>Proposed Allocations</u>
Ir. Dr. Khairul Azmy Bin Kamaluddin	Independent Chairman	Not more than 1.0% of the total ESOS to be granted
Kong Kam Onn	Managing Director	Not more than 10.0% of the total ESOS to be granted
Liuk Ing Hong	Executive Director	Not more than 10.0% of the total ESOS to be granted
YM Raja Nor Azlina Binti Raja Azhar	Independent Director	Not more than 1.0% of the total ESOS to be granted
Wong Poh May	Independent Director	Not more than 1.0% of the total ESOS to be granted
Wong Keng Fai	Independent Director	Not more than 1.0% of the total ESOS to be granted

(Collectively, referred to as the "**Proposed Allocations**".)

Details of the interests of the abovementioned Eligible Employees are set out under Section 9 of this announcement.

### 3. DETAILS OF EQUITY FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 12 MONTHS

SDCG was listed on the ACE Market of Bursa Securities on 19 September 2024 and raised gross proceeds of RM45.10 million from its initial public offering (“IPO”), which were utilised/proposed to be utilised as follows:

Utilisation of proceeds	Estimated timeframe for utilisation upon listing	Proposed utilisation	Amount utilised as at the LPD	Percentage utilised
		RM'000	RM'000	%
Expansion of headquarters	Within 24 months	1,900	58	3.1
Tender bonds and/or performance bonds for future projects	Within 24 months	5,000	565	11.3
Purchase of materials for building management systems (“BMS”) segment and solar thermal systems and energy saving services segment	Within 36 months	18,700	8,460	45.2
General working capital	Within 36 months	12,673	12,673	100.0
Capital expenditure	Within 36 months	2,522	1,174	46.6
Estimated listing expenses	Within 3 months	4,300	4,300	100.0
		<b>45,095</b>	<b>27,230</b>	

Save as disclosed above, SDCG has not undertaken any other equity fund-raising exercise in the past 12 months as at the LPD.

### 4. RATIONALE OF THE PROPOSALS

#### 4.1 Proposed Bonus Issue of Warrants

After due consideration of various methods, the Board is of the view that the Proposed Bonus Issue of Warrants is an appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Bonus Issue of Warrants will:

- (i) enable existing shareholders of SDCG to participate in convertible securities of the Company, which are tradable on the ACE Market of Bursa Securities, without incurring any cost;
- (ii) provide existing shareholders of SDCG with an opportunity to increase their equity participation in the Company at a pre-determined Warrants Exercise Price over the tenure of the Warrants;
- (iii) allow existing shareholders of the Company to benefit from any potential capital appreciation of the Warrants; and
- (iv) strengthen the capital base and shareholders’ funds of the Company as well as provide additional working capital for the Group, as and when the Warrants are exercised.

## 4.2 Proposed ESOS

The Group's employees and Directors are key to maintaining its competitive advantage and core competency. It is therefore vital for the Group to continually develop and expand its human capital. The Proposed ESOS will allow the Group to continue to align the long term interests of Eligible Employees with those of the shareholders of the Company and to achieve the following objectives:

- (i) to recognise the contribution of the Eligible Employees whose services are valued and considered vital to the operations and continued growth of the Group;
- (ii) to motivate the Eligible Employees towards improving performance through greater productivity and to assume greater responsibility for the performance of the businesses that they manage;
- (iii) to reinforce the Eligible Employees' sense of loyalty, belonging and dedication as they are given the opportunity to participate directly in the equity of the Company and thereby provides an incentive for Eligible Employees to participate more actively in the operations and future growth of the Group; and
- (iv) to reward the Eligible Employees by allowing them to participate in the future prospects of the Group and eventually realise any capital gains arising from appreciation in the value of SDCG's Shares.

## 5. INDUSTRY OUTLOOK AND OVERVIEW AS WELL AS FUTURE PROSPECTS OF THE GROUP

### 5.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

On the supply side, growth was led by the services and manufacturing sectors. Growth in the services sector was mainly contributed by consumer-related sub-sectors, while the manufacturing sector's performance was driven by stronger production in electrical and electronics ("E&E") and consumer-related goods. Meanwhile, the mining and quarrying sector rebounded, reflecting a recovery in crude oil and natural gas production post-scheduled maintenance work. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.4% (2Q 2025: 2.2%).

Headline inflation remained stable at 1.3%, while core inflation increased to 2.0% (2Q 2025: 1.3% and 1.8%, respectively). While the higher core inflation added impetus to headline inflation during the quarter, this was offset by declines in selected administered prices. In particular, electricity (-4.6%; 2Q 2025: 0%) and diesel (-5.0%; 2Q 2025: 8.0%) prices were lower during the quarter, in line with the recent electricity tariff restructuring and moderate global cost conditions. Inflation pervasiveness, measured by the share of consumer price index ("CPI") items registering monthly price increases, edged higher to 43.8% during the quarter (2Q 2025: 41.8%), while remaining below the historical average of 44.5%.

In the third quarter of 2025, the ringgit's nominal effective exchange rate ("NEER") appreciated by 0.8% (YTD as of 12 November 2025: 5.3%) against the currencies of Malaysia's major trading partners. The ringgit also remained broadly stable against the US dollar, with a marginal appreciation of 0.05% (YTD as of 12 November 2025: 8.2%). This movement was driven by both external and domestic factors. On the external front, the US Federal Reserve's easing of monetary policy in September coupled with expectations of further rate cuts amid growing

concerns about the US economy's outlook, has supported the ringgit during the quarter. In addition, the announcement of trade agreements between the US and several of its trading partners, including Malaysia, has helped ease tariff-related uncertainties and improve sentiment, further supporting the ringgit's performance.

Domestically, Malaysia's positive economic growth prospects, supported by the Government's commitment to domestic structural reforms and fiscal sustainability, will continue to provide support to the ringgit. BNM remains committed to ensuring the orderly functioning of the domestic foreign exchange market.

Despite the challenging external environment, Malaysia's economic outlook remains on track to achieve growth between 4.0% and 4.8% in 2025, supported by resilient domestic demand. Household spending will be supported by continued employment and wage growth, as well as income-related policy measures. Investment activity will be sustained by progress of infrastructure projects, further realisation of approved private investments, and the implementation of national master plans. On the external front, export growth is expected to be impacted by tariffs and more moderate external demand. However, growth would be supported by continued demand for E&E goods, inbound tourism and the recovery in mining-related exports.

Both headline and core inflation are expected to remain moderate for the remainder of the year, supported by steady domestic demand and continued easing in global cost conditions. These factors, together with Government measures to cushion the impact of domestic policy reforms on households, will help sustain a low and stable inflation environment. Heading into 2026, inflation is expected to remain moderate amid steady domestic demand, stable labour market conditions, and favourable supply conditions.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2025, Bank Negara Malaysia, 14 November 2025)*

## **5.2 Outlook of the construction industry in Malaysia**

It was reported that BMS are commonly provided for high-rise commercial, institutional and industrial buildings. As a result, the demand for BMS industry is dependent upon, among others, the performance of the construction industry. A growing construction industry will provide opportunities for the implementation of BMS.

The construction sector expanded strongly by 13.1% in the first half of 2025, supported by solid performance across all subsectors. The non-residential buildings subsector recorded robust expansion, driven by acceleration and realisation of private investment in industrial facilities, commercial complexes and data centres, reflecting sustained business activities and rising digitalisation. The residential buildings subsector also posted a steady growth, supported by continued demand for affordable housing and government initiatives to promote home ownership. In addition, the specialised construction activities subsector recorded stable growth, driven by telecommunications infrastructure projects and coastal reclamation activities. The civil engineering subsector sustained its positive performance, underpinned by ongoing works on infrastructure projects, such as the Pan Borneo Highway Sabah and Rapid Transit System Link (RTS Link).

For the rest of 2025, the sector is expected to grow by 7.3%. The civil engineering subsector is anticipated to expand, supported by continued rollout of large-scale public infrastructure projects towards the end of the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan) period. Ongoing projects, including the Sarawak Sabah Link Road (SSLR), will continue to drive momentum in the subsector. The non-residential buildings subsector will continue to gain from investment in commercial and industrial facilities, including data centres development in Johor and Selangor. In addition, the residential buildings subsector growth is expected to be bolstered by new launches in the affordable and mid-market housing as well as integrated township development in key growth corridors amid favourable financing conditions. Overall, the construction sector is projected to record a steady growth of 10.1% for 2025.

*(Source: Ministry of Finance's, Economic Outlook 2026, 10 October 2025)*

The construction sector continued its remarkable growth of 11.2%, from 12.1% following a strong performance in all segments, mainly civil engineering and specialised construction activities.

*(Source: Ministry of Economy Department of Statistics Malaysia, Today's Statistics, 17 October 2025)*

### **5.3 Outlook of the renewable energy industry in Malaysia**

It was reported that solar represents one of the renewable energy sources. Solar energy is available in 2 forms, namely solar photovoltaic ("PV") energy where sunlight is converted to electricity in the form of direct current, while solar thermal energy involves harnessing the heat from the sun for heating purposes. SDCG Group is mainly involved in solar thermal energy for heating liquid to provide hot water.

The renewable energy ("RE") industry will continue to take centre stage this year with the execution of some flagship catalyst projects under the National Energy Transition Roadmap ("NETR") and the fifth round of the largescale solar five ("LSS5") programme.

"The Energy Commission ("EC") recently informed shortlisted bidders for the 2 gigawatt ("GW") projects under the LSS5 programme and expects EPCC contracts to be awarded from the second half of 2025 ("2H25") onwards with an estimated value of around RM7.00 billion. This will sustain momentum for solar order-book replenishment opportunities for RE pure plays in 2025 and beyond," the research firm said in a report.

*(Source: Malaysian Investment Development Authority, Renewable Energy to Power 2025, 6 January 2025)*

In 2021, the Ministry of Natural Resources, Environment and Climate Change ("NRECC") set a target to reach 31.0% of RE share in the national installed capacity mix by 2025. This target supports Malaysia's global climate commitment is to reduce its economy-wide carbon intensity (against GDP) of 45.0% in 2030 compared to 2005 level. Realisation of the Government's vision is crucial in supporting the nation to achieve its Nationally Determined Contributions ("NDC") targets.

The Malaysia Renewable Energy Roadmap ("MyRER") is commissioned to support further decarbonisation of the electricity sector in Malaysia through the 2035 milestone. This is expected to drive a reduction in greenhouse gas ("GHG") emission in the power sector to support Malaysia in meeting its NDC 2030 target of 45.0% reduction in GHG emission intensity per unit of GDP in 2030 compared to the 2005 level, and further reduction of 60.0% in 2035.

*(Source: Sustainable Energy Development Authority, Malaysia Renewable Energy Roadmap)*

### **5.4 Prospects of the SDCG Group**

The Group is principally involved in the provision and maintenance of building management systems ("BMS"), solar thermal systems and energy saving services. The Group also provides maintenance services for other systems and equipment.

The Group's business strategies and plans will continue to focus on its current core competencies in the provision of BMS and solar thermal systems and energy saving services to grow its business. In addition, the Group plans to pursue opportunities in solar PV systems by entering into more PPA (as defined below). The Group intends to implement its business strategies and plans over the period from 2026 to 2027. The Group's business strategies and plans are as follows:

(i) Expansion of the Group's headquarters

The Group's headquarters is located on a land area of 4,628 sq ft, of which the building of its headquarters stands on 2,983 sq ft. The remaining 1,645 sq ft of the land area is currently vacant. The Group has earmarked RM1.90 million from its IPO proceeds for the expansion of its headquarters by constructing a new extension on the remaining vacant land, which will increase the built-up area for its headquarters from 8,320 sq ft to approximately 14,000 sq ft. The Group has appointed the professional consultant to perform a land survey and received a conditional approval on building plan from Majlis Perbandaran Kajang as at LPD.

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

The Group currently utilises tools and equipment to carry out its systems integration and maintenance of BMS, and installation and maintenance of solar thermal hot water systems (under its energy performance services and as a standalone business activity). The Group has utilised part of the IPO proceeds to purchase drones with thermal sensor and solar panel cleaning equipment to enhance its productivity and service delivery of these business activities. Meanwhile, part of the IPO proceeds was also used for renovation of the Group's existing office to improve the overall workplace experience.

(iii) Purchase and subscription for information, communications and technology ("ICT") software and services to improve the Group's business operations

As part of the Group's business strategy, the Group has purchased and subscribed for ICT software and services to improve the Group's ICT resources on expanding its command and control centre function for the monitoring of connected BMS and solar thermal and hybrid hot water systems.

(iv) Pursue opportunities in solar PV systems

As part of the Group's business strategy, it has commenced the solar PV system business based on the power purchase agreement ("**PPA**") mode of operation. Under this mode of operation, the Group has entered into a PPA with the customer. The Group 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 contract period. On 16 May 2025, a wholly-owned subsidiary of the Group, Solar District Cooling Sdn Bhd ("**SDC**") had entered into a PPA with Wana Properties Sdn Bhd ("**WANA**") for a period of 21 years from the date of PPA, where SDC installs, owns, operates and maintains the solar system at the rooftop of the building held by WANA located at Melaka to generate energy and WANA will purchase the electricity generated from the solar system. The Group intends to enter into more similar PPAs arrangements as part of its future plans.

Based on the foregoing, the Board is optimistic on the Group's performance as the aforementioned strategies are expected to bring positive financial impact to the Group.

*(Source: Management of SDCG)*

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share Capital

For illustration purposes, the pro forma effects of the Proposals on the issued share capital of SDCG as at the LPD are as follows:

	<b>No. of shares</b>	<b>(RM'000)</b>
Issued share capital as at the LPD	423,822,460	58,294
Upon full exercise of the Warrants	211,911,230	<sup>(1)</sup> 169,529
<b>After Proposed Bonus Issue of Warrants</b>	<b>635,733,690</b>	<b>227,823</b>
Upon full exercise of the ESOS Options <sup>(2)</sup>	63,573,369	<sup>(3)</sup> 33,236
<b>Enlarged issued share capital</b>	<b>699,307,059</b>	<b>261,059</b>

#### Notes:

- (1) Calculated based on the Warrants Indicative Exercise Price of RM0.80.
- (2) Assuming full exercise of the ESOS Options under the Proposed ESOS, amounting up to 10.0% of the enlarged issued share capital of the Company after full exercise of 211,911,230 Warrants.
- (3) For illustration purpose only, calculated based on RM0.5228, being approximately 10.0% discount to the 5D-VWAMP of SDCG Shares up to and including the last trading day immediately preceding the LPD of RM0.5808 per Share.

For avoidance of doubt, the Proposals will not have an immediate effect on the existing issued share capital of the Company until and unless the Warrants and ESOS Options are exercised into new SDCG Shares. The issued share capital of the Company will increase progressively depending on the number of SDCG Shares to be issued pursuant to the exercise of Warrants and ESOS Options.

### 6.2 Net assets ("NA"), NA per Share and gearing

For illustrative purposes, the proforma effects of the Proposed Bonus Issue of Warrants on the NA, NA per share and gearing of the SDCG Group based on its audited consolidated statements of financial position as at FYE 31 December 2024 are as follows:

	<b>As at 31 December 2024</b>	<b>After the Proposed Bonus Issue of Warrants</b>	<b>Upon full exercise of Warrants</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	58,294	58,294	<sup>(2)</sup> 227,823
Reorganisation deficit	(14,258)	(14,258)	(14,258)
Retained earnings	18,651	<sup>(1)</sup> 18,401	18,401
<b>Total equity</b>	<b>62,687</b>	<b>62,437</b>	<b>231,966</b>
No. of Shares ('000)	423,822	423,822	635,734
NA per Share (RM)	0.15	0.15	0.37
Total borrowings (RM'000)	213	213	213
Gearing (times)	<0.1	<0.1	<0.1

**Notes:**

- (1) After deducting the estimated expenses in relation to the Proposals of approximately RM250,000.00.
- (2) Assuming 211,911,230 Warrants are exercised into new SDCG Shares at the Indicative Warrants Exercise Price.

**Proposed ESOS**

Save for the potential impact of the MFRS 2 on “Share-Based Payment” issued by the Malaysian Accounting Standards Board (“**MFRS 2**”), the Proposed ESOS is not expected to have any immediate effect on the NA and NA per SDCG Share of the Group until such time the new SDCG Shares are issued in connection with the exercise of ESOS Options. Any potential effects on the NA and NA per Share of SDCG Group will depend on the actual number of SDCG Shares to be issued arising from the exercise of Options, as well as the Exercise Price.

The Proposed ESOS is not expected to have any material effect on the SDCG Group’s gearing level.

**6.3 Earnings and earnings per Share (“EPS”)****Proposed Bonus Issue of Warrants**

The Proposed Bonus Issue of Warrants is not expected to have any material effect on the earnings of the Group for the financial year ending 31 December 2026. However, assuming the earnings of the Group remains unchanged, the EPS of the Group will be proportionately diluted as a result of the increase in the number of Shares as and when the Warrants are exercised.

The potential effect of the Proposed Bonus Issue of Warrants on the future earnings and EPS of the Group will depend upon, amongst others, the number of Shares issued pursuant to the exercise of the Warrants at any point in time and the potential benefits from the utilisation of the proceeds.

Although the EPS shall be correspondingly diluted as a result of the increase in number of Shares, the Proposed Bonus Issue of Warrants is expected to contribute positively to the Group’s earnings thereafter through the utilisation of proceeds pursuant to the exercise of the Warrants.

**Proposed ESOS**

The Proposed ESOS is not expected to have any immediate material effect on the earnings and EPS of the Group until such time when the ESOS Options are granted (as the case may be). In accordance with the MFRS 2, the Proposed ESOS will result in a change to the earnings of the Group over the period from the grant date to the vesting date of the ESOS Options.

Under the MFRS 2, the cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options, which is expected to vest at each date of offer and is recognised as expense in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of SDCG Group. The fair value of the ESOS Options is determined after taking into account, amongst others, the historical volatility of the SDCG Shares, the risk-free rate, the ESOS Exercise Price and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of SDCG Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture.

The Board has taken note of the potential effect of the Proposed ESOS on the earnings of the Group and will take proactive measures to manage the earnings impact in the granting of ESOS Options.

For information purposes, the estimated expenses for the Proposals amounting to approximately RM0.25 million will be funded by internally generated funds of the SDCG Group.

#### **6.4 Convertible securities**

As at the LPD, there are no convertible securities issued by the Company.

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## 6.5 Substantial shareholders' shareholding

The Proposed Bonus Issue of Warrants will not have any immediate effect on the substantial shareholders' percentage of shareholding in the Company as the Warrants will be allotted on a pro-rated basis to all Entitled Shareholders. However, the number of SDCG Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

The pro forma effects of the Proposed Bonus Issue of Warrants on the shareholdings of the substantial shareholders of SDCG are set out below:

Substantial shareholders	As at the LPD				After full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Kong Kam Onn	190,720,224	45.0	<sup>(3)</sup> 21,191,236	5.0	286,080,336	45.0	<sup>(3)</sup> 31,786,854	5.0
Liuk Ing Hong	21,191,236	5.0	<sup>(3)</sup> 190,720,224	45.0	31,786,854	5.0	<sup>(3)</sup> 286,080,336	45.0
Solarvest Holdings Berhad ("Solarvest")	93,241,000	22.0	-	-	139,861,500	22.0	-	-

### Notes:

- (1) Based on the total issued Shares of 423,822,460 Shares as at the LPD.
- (2) Based on the total issued Shares of 635,733,690 Shares after the Proposed Bonus Issue of Warrants and upon full exercise of the Warrants.
- (3) Deemed interested by virtue of his/her spouse's shareholdings in SDCG. Kong Kam Onn and Liuk Ing Hong are husband and wife.

The Proposed ESOS is not expected to have any immediate effect on the substantial shareholders' shareholdings until the ESOS Options are exercised. Any potential effect on the substantial shareholders' shareholdings will depend on the actual number of new Shares to be issued pursuant to the exercise of the ESOS Options.

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
  - (a) the admission of Warrants to the official list of Bursa Securities;
  - (b) the listing and quotation of 211,911,230 Warrants and the new SDCG Shares to be issued arising from the exercise of the Warrants; and  
the listing and quotation of up to 10.0% of the total number of issued shares of SDCG Shares to be issued pursuant to the exercise of ESOS Options pursuant to the Proposed ESOS;
- (ii) shareholders of SDCG at an EGM to be convened for the Proposals; and
- (iii) any other relevant authorities, if required.

## 8. INTER-CONDITIONALITY

The Proposed Bonus Issue of Warrants is not conditional upon the Proposed ESOS and vice versa. However, the Proposed Bonus Issue of Warrants shall be implemented prior to the Proposed ESOS.

The Proposals are not conditional upon any other corporate exercise(s).

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

### 9.1 Proposed Bonus Issue of Warrants

None of the directors, major shareholders of the Company, chief executive and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue of Warrants, other than their respective entitlements as shareholders of the Company under the Proposed Bonus Issue of Warrants, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

### 9.1 Proposed ESOS

All the Directors of the Company are eligible to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations as well as allocations to persons connected with them under the Proposed ESOS (“**Interested Directors**”).

The Interested Directors have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meetings in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS.

The shareholdings of the Interested Directors and major shareholders as at the LPD are as follows:

	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
<b>Interested Directors and major shareholders</b>				
Kong Kam Onn	190,720,224	45.0	(2)21,191,236	5.0

	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
Liuk Ing Hong	21,191,236	5.0	(2)190,720,224	45.0
<b>Interested Directors</b>				
Ir. Dr. Khairul Azmy Bin Kamaluddin	-	-	-	-
YM Raja Nor Azlina Binti Raja Azhar	370,000	<0.1	-	-
Wong Poh May	100,000	<0.1	-	-
Wong Keng Fai	370,000	<0.1	-	-

**Notes:**

- (1) Based on the total issued Shares of 423,822,460 Shares as at the LPD.
- (2) Deemed interested by virtue of his/her spouse's shareholdings in SDCG. Kong Kam Onn and Liuk Ing Hong are husband and wife.

Further, the Interested Directors will also abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on resolutions pertaining to their respective allocations and allocations to persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

The Interested Directors will also undertake to ensure that persons connected to them, if any, will abstain from voting on the resolutions pertaining to their respective allocations and the proposed allocation to the persons connected to them under the Proposed ESOS to be tabled at the forthcoming EGM.

Save as disclosed above, none of the Company's Directors, major shareholders and/or persons connected to them have interest, direct or indirect, in the Proposed ESOS.

**10. DIRECTORS' STATEMENT**

The Board, having considered all aspects of the Proposals, including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and its shareholders.

**11. ADVISER**

Malacca Securities Sdn Bhd has been appointed as the Principal Adviser to the Company in relation to the Proposals.

**12. ESTIMATED TIMEFRAME FOR SUBMISSION AND COMPLETION**

The application to the relevant authorities will be made within 2 months from the date of this announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposals are expected to be completed by the first half of 2026.

This announcement is dated 30 December 2025.