



SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025

Malacca Securities Sdn Bhd ("Malacca Securities"), the Sponsor of Solar District Cooling Group Berhad has reviewed this interim financial report in accordance with Rule 4.27 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad prior to the issuance of this interim financial report. Malacca Securities assumes no responsibility for the contents of this interim financial report.

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 Fourth Quarter Ended 31 December 2025⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current year quarter	Unaudited Preceding year quarter	Unaudited Current year- to-date	Audited Preceding year- to-date
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	9,643	9,253	27,848	25,328
Cost of sales		(5,363)	(4,770)	(13,733)	(11,367)
Gross profit		4,280	4,483	14,115	13,961
Other income		217	587	1,815	497
Administrative expenses		(1,739)	(1,674)	(7,430)	(8,119)
Other expenses		(273)	(92)	(962)	(408)
Net impairment (losses)/gain on financial asset		214	(29)	(249)	21
Profit before interest and tax		2,699	3,275	7,289	5,952
Finance costs		(2)	(7)	(9)	(29)
Profit before taxation	B13	2,697	3,268	7,280	5,923
Income tax expense	B5	(568)	(571)	(1,238)	(1,637)
Profit and total comprehensive income for the financial period		2,129	2,697	6,042	4,286
Profit attributable to:					
Owners of the Group		2,129	2,697	6,042	4,286
Total comprehensive income attributable to:					
Owners of the Group		2,129	2,697	6,042	4,286
Earnings per share attributable to owners of the Group:					
- Basic (sen) ⁽²⁾	B12	0.50	0.64	1.43	1.26
- Diluted (sen) ⁽³⁾	B12	0.50	0.64	1.43	1.26

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 (31 December 2024: 423,822,460) and 423,822,460 (31 December 2024: 338,872,997) 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 31 December 2025.

SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025⁽¹⁾

	Note	Unaudited As at 31/12/2025 RM'000	Audited As at 31/12/2024 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		4,683	4,231
Intangible asset		6	6
Deferred tax assets		438	621
		5,127	4,858
Current Assets			
Inventories		2,201	3,126
Trade receivables		7,791	9,306
Other receivables, deposits and prepayments		1,290	745
Contract assets		9,522	-
Fixed deposits with licensed banks		787	250
Current tax assets		642	14
Short term investments		38,070	44,978
Cash and bank balances		985	2,628
		61,288	61,047
TOTAL ASSETS		66,415	65,905
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Group			
Share capital		58,294	58,294
Reorganisation deficit		(14,258)	(14,258)
Retained profits		18,336	18,651
TOTAL EQUITY		62,372	62,687
LIABILITIES			
Non-Current Liabilities			
Hire purchase payables	B8	-	58
Term loan	B8	85	87
		85	145
Current Liabilities			
Trade payables		2,997	1,375
Other payables and accruals		900	1,297
Contract liabilities		-	180
Bank overdrafts		*	-
Hire purchase payables	B8	58	65
Term loan	B8	3	3
Current tax liabilities		-	153
		3,958	3,073
TOTAL LIABILITIES		4,043	3,218
TOTAL EQUITY AND LIABILITIES		66,415	65,905
Net assets per share (RM)⁽²⁾		0.15	0.15

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 Fourth Quarter Ended 31 December 2025⁽¹⁾

	Share capital	Invested capital	Reorganisation Deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2025 (Audited)	58,294	-	(14,258)	18,651	62,687
Profit and total comprehensive income for the financial year	-	-	-	6,042	6,042
Transaction with owners:					
- Dividend	-	-	-	(6,357)	(6,357)
Total contributions by and distributions to owners	-	-	-	(6,357)	(6,357)
As at 31 December 2025 (Unaudited)	<u>58,294</u>	<u>-</u>	<u>(14,258)</u>	<u>18,336</u>	<u>62,372</u>
As as at 1 January 2024 (Audited)	*	1,000	-	18,603	19,603
Profit and total comprehensive income for the financial year	-	-	-	4,286	4,286
Transaction with owners:					
- 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)
- Dividend	-	-	-	(4,238)	(4,238)
Total contributions by and distributions to owners	58,294	(1,000)	(14,258)	(4,238)	38,798
Balance as at 31 December 2024 (Audited)	<u>58,294</u>	<u>-</u>	<u>(14,258)</u>	<u>18,651</u>	<u>62,687</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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025⁽¹⁾

	Unaudited Current year- to-date 31/12/2025 RM'000	Audited Preceding year- to-date 31/12/2024 RM'000
Cash Flow From Operating Activities		
Profit before taxation	7,280	5,923
Adjustments for:-		
Depreciation of property, plant and equipment	989	1,532
Impairment losses on slow moving inventories	25	27
Amortisation of intangible asset	*	1
Dividends income from short-term investments	(978)	(208)
Fair value gain on short-term investments	(787)	(47)
Gain on disposal of fixed assets	*	-
Impairment/(reversal) of losses on trade receivables	249	(21)
Unrealised loss on foreign exchange	507	152
Interest income	(22)	(222)
Interest expenses	9	29
Operating profit before working capital changes	<u>7,272</u>	<u>7,166</u>
Changes in working capital:-		
Decrease in inventories	900	88
Decrease/(Increase) in trade and other receivables	730	(774)
Increase/(Decrease) in trade and other payables	1,229	(1,115)
(Decrease)/Increase in contract balances	(9,702)	180
	<u>(6,843)</u>	<u>(1,621)</u>
Cash from operations	429	5,545
Income tax refunded	24	248
Income tax paid	(1,860)	(2,312)
Net cash (for)/from operating activities	<u>(1,407)</u>	<u>3,481</u>
Cash Flow For Investing Activities		
Purchase of property, plant and equipment	(1,441)	(791)
Acquisition of intangible asset	-	(7)
Decrease in fixed deposit pledged with licensed banks	-	320
Dividends received	978	208
(Placement)/Withdrawal of fixed deposit with tenure more than 3 months	(537)	4
Interest received	13	222
Net cash for investing activities	<u>(987)</u>	<u>(44)</u>
Cash Flow For Financing Activities		
Dividend paid	(6,361)	(4,238)
Pursuant to an initial public offering, net of listing expenses	-	43,037
Repayment of term loans	(2)	(548)
Repayment of hire purchase payables	(65)	(62)
Interest paid	(9)	(29)
Net cash (for)/from financing activities	<u>(6,437)</u>	<u>38,160</u>
Net (decreased)/increase in cash & cash equivalents	(8,831)	41,597
Effects of foreign exchange translation	280	(105)
Cash & cash equivalents at the beginning of the financial year	47,630	6,138
Cash & cash equivalents at the end of the financial year	<u>39,079</u>	<u>47,630</u>
Cash and cash equivalents at the end of the financial year comprises:-		
Cash and bank balances	985	2,628
Fixed deposits with licensed banks	787	250
Short term investments	38,070	44,978
	<u>39,842</u>	<u>47,856</u>
Less: Fixed deposits pledged to licensed banks	(763)	(226)
	<u>39,079</u>	<u>47,630</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025⁽¹⁾

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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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 31/12/2025 RM'000	Audited As at 31/12/2024 RM'000
Secured:		
Bank guarantees extended to third parties	358	1,202

A14 Material Capital Commitments

	Unaudited As at 31/12/2025 RM'000	Audited As at 31/12/2024 RM'000
Approved and contracted for:		
- Construction of new shop office in Kajang, Selangor	59	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	173	520
	<u>3,190</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 31 December 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 REQUIREMENTS OF BURSA SECURITIES

B1 Review of Performance

	Individual 4th Quarter		Cumulative 4th Quarter	
	Unaudited Current year quarter 31/12/2025 RM'000	Unaudited Preceding year quarter 31/12/2024 RM'000	Unaudited Current year- to-date 31/12/2025 RM'000	Unaudited Preceding year- to-date 31/12/2024 RM'000
Revenue	9,643	9,253	27,848	25,328
Gross Profit	4,280	4,483	14,115	13,961
Gross Profit margin (%)	44.38	48.45	50.69	55.12
Profit/(Loss) before taxation	2,697	3,268	7,280	5,923
Profit/(Loss) after taxation	2,129	2,697	6,042	4,286
Profit/(Loss) attributable to owners of the Group	2,129	2,697	6,042	4,286

The Group's revenue increased by RM0.39 million or 4.21% to RM9.64 million in current financial quarter as compared to the preceding year quarter of RM9.25 million. This is mainly attributed to the increase of revenue from BMS segment by RM2.66 million to RM7.51 million (Q4 FY24: RM4.86 million) which had partially offset to the decrease of revenue contribution from solar thermal systems and energy saving services segment and maintenance of other systems and equipment segment by RM2.27 million to RM2.13 million (Q4 FY24: RM4.40 million).

The Group's revenue increased by RM2.52 million or 9.95% to RM27.85 million in current financial year-to-date as compared to the preceding year-to-date of RM25.33 million. The increase of revenue was mainly contributed from BMS segment by RM8.20 million to RM23.61 million (12M FY24: RM15.41 million) which mainly attributed to the revenue recognition from Airline project and Putrajaya government related project which commenced and completed in current financial year, as well as the recognition of the ongoing project of Precinct 8 Putrajaya Project and Ministry of Energy Transition and Water Transformation project which to be completed by early of next financial year. The revenue was partly offset with the decrease of revenue contribution from solar thermal systems and energy saving services segment by RM4.03 million to RM1.25 million (12M FY24: RM5.28 million) which was mainly attributed to the completion of energy performance contracts with One Medicare Sdn Bhd in March 2025 as well as the decrease of revenue attributed to the Chilled Water System maintenance project by RM1.65 million to RM2.99 million (12M FY24: RM4.64 million) due to the project site on hold.

The Group recorded gross profit decrease by RM0.20 million to RM4.28 million (Q4 FY24: RM4.48 million) with the gross profit margin decreased by 4.07% to 44.38% (Q4 FY24: 48.45%) for the current quarter under review. This was mainly due to the decrease of gross profit contribution from Chilled Water System maintenance project, associated with a lower gross profit margin from installation of Variable Refrigerant Flow System project. The Group recorded gross profit increase by RM0.15 million to RM14.12 million (12M FY24: RM13.96 million) despite the gross profit margin lower by 4.43% to 50.69% (12M FY24: 55.12%) 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 recorded a decrease of profit before tax by RM0.57 million to RM2.70 million (Q4 FY24: RM3.27 million) and profit after tax by RM0.57 million to RM2.13 million (Q4 FY24: RM2.70 million) for the current financial quarter due to the decrease of gross profit and recognition of unrealised foreign exchange loss resulted from the depreciated of US Dollar. While for the current financial year-to-date of the Group's profit before tax increased by RM1.36 million to RM7.28 million (12M FY24: RM5.92 million) and profit after tax increased by RM1.76 million to RM6.04 million (12M FY24: RM4.29 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 31/12/2025 RM'000	Immediate preceding quarter 30/9/2025 RM'000		
Revenue	9,643	8,498	1,145	13.47
Gross Profit	4,280	4,890	(610)	(12.47)
Gross Profit margin (%)	44.38	57.54	(13.16)	(22.87)
Profit before taxation	2,697	3,208	(511)	(15.93)
Profit after taxation	2,129	2,818	(689)	(24.45)
Profit attributable to owners of the Group	2,129	2,818	(689)	(24.45)

The Group's revenue for the current quarter increased by RM1.15 million or 13.47% to RM9.64 million as compared with the immediate preceding quarter of RM8.50 million. The increase of revenue was mainly attributed to the recognition of progress workdone on installation of equipment and device of BMS system for Avisena Healthcare project and installation of Variable Refrigerant Flow System project under maintenance of other systems and equipment segment.

The Group's gross profit for the current quarter decreased by RM0.61 million to RM4.28 million as compared with the immediate preceding quarter of RM4.89 million with the Group's gross profit margin lower of 44.38% as compare to the immediate preceding quarter of 57.54%. The reduction was mainly attributed to the the completion of Rail Transit project in preceding quarter, as well as the slow progress of Princt 8 Putrajaya Project and lower contribution by the Avisena Healthcare project which resulted in a lower contribution in current quarter.

The Group registered profit before tax of RM2.70 million for current quarter was decreased by RM0.51 million as compared to the immediate preceding quarter of RM2.82 million due to the decrease of gross profit and the recognition of unrealised foreign exchange loss resulted from the depreciated of US Dollar.

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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 Group's 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 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. Meanwhile during the current financial quarter, we have increased the number of PPA customers.

Premised on the above, the Board is continuously optimistic that the prospects 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 31/12/2025	Unaudited Preceding year quarter 31/12/2024	Unaudited Current year- to-date 31/12/2025	Unaudited Preceding year- to-date 31/12/2024
Current tax expense (RM'000)	568	571	1,238	1,637
Effective tax rate (%) ⁽¹⁾⁽²⁾	21.06	17.47	17.01	27.64
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

- (1) The Group's effective tax rate for current financial quarter was 21.06% which were lower than the statutory tax rate was mainly due to recognition of deferred tax liabilities.
- (2) The Group's effective tax rate for current financial year-to-date was 17.01% 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.

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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 ⁽¹⁾		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	58	1,842	Within 24 Months
(b)	Tender bonds and/or performance bonds for future projects	5,000	11.09	565	4,435	Within 24 Months
(c)	Purchase of materials for BMS segment and solar thermal systems and energy saving services segment	18,700	41.47	8,465	10,235	Within 36 Months
(d)	General working capital	12,673	28.10	12,673	-	Within 36 Months
(e)	Capital expenditure	2,522	5.59	1,174	1,348	Within 36 Months
(f)	Estimated IPO expenses	4,300	9.54	4,300	-	Within 3 Months
Total		45,095	100.00	27,235	17,860	

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 31/12/2025 RM'000	Audited As at 31/12/2024 RM'000
Non-current		
<u>Secured and guaranteed</u>		
Terms loan	85	87
Hire purchase payables	-	58
	85	145
Current		
<u>Secured and guaranteed</u>		
Terms loan	3	3
Hire purchase payables	58	65
	61	68
	146	213

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 Sdn Bhd 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 was rescheduled from 4 December 2025 to 31 March 2026. 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 Current year quarter 31/12/2025	Unaudited Preceding year quarter 31/12/2024	Unaudited Current year- to-date 31/12/2025	Unaudited Preceding year- to-date 31/12/2024
Profit/(Loss) attributable to owners of the Group (RM'000)	2,129	2,697	6,042	4,286
Weighted average number of ordinary Shares in issue ('000)	423,822	423,822	423,822	338,873
Basic/Diluted EPS/LPS (sen)⁽¹⁾⁽²⁾	<u>0.50</u>	<u>0.64</u>	<u>1.43</u>	<u>1.26</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.

SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia)

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 31/12/2025 RM'000	Unaudited Preceding year quarter 31/12/2024 RM'000	Cumulative 3rd Quarter Unaudited Current year- to-date 31/12/2025 RM'000	Unaudited Preceding year- to-date 31/12/2024 RM'000
Profit before taxation is arrived at after charging/(crediting):				
(Reversal)/Impairment of losses on trade receivables	(214)	29	249	(21)
Depreciation of property, plant and equipment	138	396	989	1,532
Amortisation of intangible asset	*	1	*	1
Interest expenses	2	7	9	29
Interest income	(6)	(120)	(22)	(222)
(Gain)/Loss on foreign exchange				
- realised	(9)	27	(29)	48
- unrealised	134	(192)	507	152
Gain on disposal of fixed assets	-	-	*	-
Dividends income from short-term investments	(260)	(208)	(978)	(208)
Impairment loss on slow moving stocks	25	27	25	27
Fair value loss/(gain) on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	57	(47)	(787)	(47)

Note:

(*) Amount represents value less than RM500.

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

B14 Status of corporate proposals

On 30 December 2025, Malacca Securities had, on behalf of the Board, announced that the Company proposes to undertake the proposed bonus issue of 211,911,230 Warrants ("Warrant(s)") on the basis of 1 warrant for every 2 existing ordinary shares held by the entitled shareholders on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants"); and proposed establishment of employees' share option scheme ("ESOS") of up to 10.0% of the total issued shares of sdcg (excluding treasury shares, if any), at any point of time during the duration of the esos for eligible directors and employees of SDCG and its subsidiaries (excluding dormant subsidiaries, if any) ("Proposed ESOS") (collectively, "Proposals").

On 31 December 2025, Malacca Securities had, on behalf of the Board, announced that the listing application in relation to the Proposals had been submitted to Bursa Securities.

The Proposals had been approved by Bursa Securities on 13 February 2026 and are subject to the approval from shareholders of the Company at the extraordinary general meeting to be held and other relevant authorities, if any.

B15 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 25 February 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF SOLAR DISTRICT COOLING GROUP BERHAD
25 FEBRUARY 2026

- END OF REPORT-