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If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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This Circular has been reviewed by Malacca Securities Sdn Bhd as the Principal Adviser to Solar District Cooling Group Berhad ("**SDCG**" or "**Company**") for the Proposed Bonus Issue of Warrants and Proposed ESOS (as defined herein). The admission of SDCG to the ACE Market of Bursa Securities was advised and sponsored by Mercury Securities Sdn Bhd, but was replaced by Malacca Securities Sdn Bhd with effect from 1 January 2026. This Circular has been reviewed by Malacca Securities Sdn Bhd.

SDC

Solar District Cooling

SOLAR DISTRICT COOLING GROUP BERHAD

(Registration No. 202301015665 (1509587-U))

(Incorporated in Malaysia)

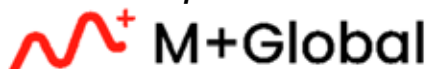
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- (I) **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**
- (II) **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")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

The logo for M+Global features a stylized red wave with a plus sign above it, followed by the text "M+Global" in a bold, sans-serif font.

MALACCA SECURITIES SDN BHD

(Registration No. 197301002760 (16121-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of Solar District Cooling Group Berhad together with the Proxy Form are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Proxy Form must be lodged at the Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi 59200 Kuala Lumpur or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not later than 24 hours before the time fixed for holding our forthcoming EGM or any adjournment thereof. The Form of Proxy may also be lodged electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide of our forthcoming EGM for further information on the electronic lodgement of the Form of Proxy. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Date and time of the EGM	: Friday, 24 April 2026 at 10.00 a.m.
Venue of the EGM	: Monkeys Canopy, Lot 683, Jalan Persiaran Bukit Enggang Sg Long Hill, Sungai Long, 43200 Cheras, Selangor
Last date and time for lodging the Proxy Form for the EGM	: Thursday, 23 April 2026 at 10.00 a.m.

This Circular is dated 4 March 2026

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

ACE Market	:	ACE Market of Bursa Securities
Act	:	Companies Act, 2016, as amended from time to time including any re-enactment thereof
Board	:	Board of Directors of SDCG
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	The by-laws governing the Proposed ESOS
Circular	:	This circular to shareholders of SDCG dated 4 March 2026
Deed Poll	:	The deed poll constituting the Warrants and governing the rights of Warrant Holders to be executed by the Company
Director(s)	:	The Director(s) of the SDCG Group (excluding dormant subsidiaries, if any), whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
Effective Date	:	The date on which the Proposed ESOS becomes effective in accordance with the By-Laws
EGM	:	Extraordinary general meeting
Eligible Employee(s)	:	Directors or employees of the SDCG Group (excluding dormant subsidiaries, if any) who meets the criteria of eligibility for participation in the Proposed ESOS in the manner provided in the By-Laws
Entitlement Date	:	A date to be determined later by the Board, on which the names of the shareholders of SDCG must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants
Entitled Shareholders	:	Shareholders of SDCG whose names appear in the Record of Depositors of the Company on the Entitlement Date
EPS	:	Earnings per share
ESOS	:	Employees' share option scheme
ESOS Committee	:	A committee to be appointed and duly authorised by the Board to administer the Proposed ESOS as indicated in the By-Laws
ESOS Exercise Price	:	The price at which an Eligible Employee is entitled to subscribe for new SDCG Shares upon the exercise of the ESOS Options granted to them under the Proposed ESOS
ESOS Option(s) or Option(s)	:	The rights of an Eligible Employee to subscribe for new SDCG Shares at the ESOS Exercise Price under the Proposed ESOS
FPE	:	Financial period ended/ending, as the case may be

DEFINITIONS (CONT'D)

FYE	:	Financial year(s) ended/ending 31 December, as the case may be
Interested Director(s)	:	Director(s) of the Company that are eligible to participate in the Proposed ESOS
IPO	:	Initial Public Offering of SDCG
Key Senior Management	:	Refers to employees of the Company whom the ESOS Committee, may at its absolute discretion, determine to be key senior management
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	13 February 2026, being the latest practicable date prior to the date of printing of this Circular
Malacca Securities	:	Malacca Securities Sdn Bhd (Registration No. 197301002760 (16121-H))
Maximum Allowable Allocation	:	The maximum number of Shares to be allotted and issued pursuant to the exercise of the ESOS Options by an Eligible Employee as stipulated in Section 2.2.2
MFRS	:	Malaysian Financial Reporting Standards
NA	:	Net assets
Offer	:	An offer made in writing by the ESOS Committee to a Selected Employee pursuant to the Proposed ESOS
Offer Date	:	The date on which an Offer is made or deemed made to a Selected Employee
Option Period	:	The period of validity of the ESOS Option as prescribed in the By-Laws
Participant(s)	:	Selected Employee(s) who has accepted the Offer pursuant to the Proposed ESOS
PAT	:	Profit after taxation
Proposals	:	Collectively, the Proposed Bonus Issue of Warrants and Proposed ESOS
Proposed Allocations	:	Proposed specific allocations of ESOS Options to the selected Directors, and/or major shareholders who are employees of SDCG Group as disclosed in Section 2.2.13 of this Circular
Proposed Bonus Issue of Warrants	:	Proposed bonus issue of 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
Proposed ESOS	:	Proposed establishment of an ESOS of up to 10.0% of the total number of issued shares of SDCG (excluding treasury Shares, if any) at any point of time during the duration of the ESOS, for the Eligible Employees

DEFINITIONS (CONT'D)

Record of Depositors	:	The record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd
RM and sen	:	Ringgit Malaysia and sen, respectively
SDCG or Company	:	Solar District Cooling Group Berhad (Registration No. 202301015665 (1509587-U))
SDCG Group or Group	:	SDCG and its subsidiaries, collectively
SDCG Share(s) or Share(s)	:	Ordinary share(s) in SDCG
Selected Employee(s)	:	Eligible Employee(s) who have been selected by the ESOS Committee
Warrant(s)	:	211,911,230 warrant(s) to be issued pursuant to the Proposed Bonus Issue of Warrants
Warrants Exercise Price	:	The exercise price of the Warrants, to be determined and announced at a later date by the Board
Warrant Holders	:	Any person for the time being holding Warrants in the Company
5D-VWAMP	:	5-day volume weighted average market price

For the purpose of this Circular, reference to a time of day shall be a reference to Malaysian time, unless other stated. In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a company or a corporation.

Certain figures included in this Circular have been subject to rounding adjustments.

References to “we”, “us”, “our” and “ourselves” are to the Company save where the context otherwise requires, the subsidiaries and to “you” or “your” are to the shareholders of SDCG.

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TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	v
LETTER TO THE SHAREHOLDERS OF SDCG IN RELATION TO THE PROPOSALS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSALS	2
3. DETAILS OF EQUITY FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS	13
4. RATIONALE FOR THE PROPOSALS	15
5. INDUSTRY OUTLOOK AND OVERVIEW AS WELL AS FUTURE PROSPECTS OF THE GROUP	16
6. EFFECTS OF THE PROPOSALS	20
7. APPROVALS REQUIRED	24
8. HISTORICAL SHARE PRICE	25
9. INTER-CONDITIONALITY	25
10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM	26
11. DIRECTORS' STATEMENTS AND RECOMMENDATION	27
12. ESTIMATED TIMEFRAME FOR COMPLETION	27
13. CORPORATE EXERCISE ANNOUNCED BUT NOT YET COMPLETED	27
14. EGM	27
15. FURTHER INFORMATION	28
APPENDICES	
I DRAFT BY-LAWS	29
II FURTHER INFORMATION	55
NOTICE OF EGM	ENCLOSED
ADMINISTRATIVE GUIDE FOR EGM	ENCLOSED
PROXY FORM	ENCLOSED

EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. SHAREHOLDERS OF SDCG ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.

Key Information	Description	Reference
Details of the Proposals	<u>Proposed Bonus Issue of Warrants</u> The Proposed Bonus Issue of Warrants entails an issuance of 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.	Section 2.1
	<u>Proposed ESOS</u> The Proposed ESOS entails the granting of ESOS Options at prices to be determined in the manner set out in Section 2.2.5 of this Circular to all Eligible Employees as set out in the 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 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) at any point in time over the duration of the Proposed ESOS.	Section 2.2
Rationale of Proposals	of the <u>Proposed Bonus Issue of Warrants</u> 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, 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. <u>Proposed ESOS</u> 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:	Section 4

EXECUTIVE SUMMARY (CONT'D)

Key Information	Description	Reference
	<p>(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;</p> <p>(ii) motivate the Eligible Employees towards improving performance through greater productivity and to assume greater responsibility for the performance of the businesses that they manage;</p> <p>(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</p> <p>(iv) to reward the Eligible Employees by allowing them to participate in the future prospects of the Group.</p> <p>The Proposed ESOS is also extended to the non-executive Directors of SDCG to recognise their contribution to the Company and enable them to participate in the Company's future growth.</p>	
Approvals required	<p>The Proposals are subject to the following approvals being obtained:</p> <p>(i) Bursa Securities, which was obtained on 13 February 2026, the details of which are set out in Section 7 of this Circular;</p> <p>(ii) shareholders of SDCG at the forthcoming EGM; and</p> <p>other relevant authorities, if required.</p>	Section 7
Conditionality	<p>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.</p>	Section 9
Interests of Directors, major shareholders, chief executive and persons connected with them	<p><u>Proposed Bonus Issue of Warrants</u></p> <p>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.</p>	Section 10

EXECUTIVE SUMMARY (CONT'D)

<u>Key Information</u>	<u>Description</u>	<u>Reference</u>
	<p><u>Proposed ESOS</u></p> <p>All Directors are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding the above, all our Directors have agreed to table the Proposed ESOS to our shareholders for their consideration and approval at the EGM to be convened.</p>	
Directors' statements and recommendation	<p>The Board (save for Directors who have abstained from deliberations to the extent of their respective allocations and to any persons connected to them), having considered amongst others, the objectives, terms, conditions and effects of the Proposals, is of the opinion that the Proposals are in the best interest of SDCG. Accordingly, the Board recommends that you VOTE IN FAVOUR of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p> <p>In respect of the allocations of the Proposed ESOS, all the Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or to the person(s) connected with them, the Directors after having considered all aspects of the allocations of the Proposed ESOS, are of the view that they are in the best interests of the Group and recommend that you VOTE IN FAVOUR of the resolutions pertaining to the allocations of the Proposed ESOS to be tabled at the forthcoming EGM.</p>	Section 11

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Solar District Cooling

SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)
(Incorporated in Malaysia)

Registered Office
Level 7, Mercuri 3
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur

4 March 2026

Board of Directors:

Ir. Dr. Khairul Azmy Bin Kamaluddin (*Independent Non-Executive Chairman*)
Kong Kam Onn (*Managing Director*)
Liuk Ing Hong (*Executive Director*)
YM Raja Nor Azlina Binti Raja Azhar (*Independent Non-Executive Director*)
Wong Poh May (*Independent Non-Executive Director*)
Wong Keng Fai (*Independent Non-Executive Director*)
Liew Kong Fatt (*Non-Independent Non-Executive Director*)

To: The Shareholders of SDCG

Dear Sir / Madam,

- (I) PROPOSED BONUS ISSUE OF WARRANTS; AND**
- (II) PROPOSED ESOS**

(COLLECTIVELY, THE “PROPOSALS”)

1. INTRODUCTION

On 30 December 2025, Malacca Securities had, on behalf of the Board, announced that the Company proposes to undertake the 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.

On 13 February 2026, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 13 February 2026 approved the following:

- (i) admission of the Warrants to the Official List of Bursa Securities and listing and quotation of 211,911,230 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
- (ii) listing and quotation of 211,911,230 new SDCG Shares to be issued pursuant to the exercise of the Warrants; and
- (iii) listing and quotation of such number of new SDCG Shares, representing 10.0% of SDCG’s total number of issued shares (excluding treasury shares, if any) that may be allotted and issued at any point in time pursuant to the exercise of the ESOS Options pursuant to the Proposed ESOS.

Bursa Securities' approval for the Proposals is subject to the following conditions set out in Section 7 of this Circular.

THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE SAME TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM IS ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS AT THE FORTHCOMING EGM OF THE COMPANY.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Bonus Issue of Warrants

As at the LPD, SDCG has 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 entails an issuance of 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 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 EPS of the Company;
- (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.

For the avoidance of doubt, any Warrants to be issued to Kong Kam Onn and Liuk Ing Hong (being promoters for the IPO) whose shareholdings are still currently under moratorium and the new SDCG Shares arising from the exercise of such Warrants shall also be subject to a similar moratorium.

2.1.1 Indicative salient terms of the Warrant

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

Terms	Details
Issue size	: Up to 211,911,230 Warrants.
Form and denomination	: The Warrants will be issued in registered form and constituted by the Deed Poll to be executed by the Company and as may be supplemented from time to time.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the Warrants (" Issue Date ").
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) (" Exercise Period "). 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 2.1.2 of this Circular 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 Holder 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 (" Expiry Date ").
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.
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.

Terms	Details
Status of the new SDCG Shares to be issued from the exercise of the Warrants	<p>: 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.</p>
Modification of rights of Warrant Holders	<p>: Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be:</p> <ul style="list-style-type: none"> (i) approved by the Warrant Holders sanctioned by special resolution; (ii) effected by a supplemental Deed Poll; (iii) executed by the Company and expressed to be supplemental; and (iv) comply with the requirements of the Deed Poll. <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"> (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 (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.
Rights of Warrants holders	<p>: 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.</p>
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> <ul style="list-style-type: none"> (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

Terms**Details**

- (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.

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.

- Listing : The Warrants will be listed on the ACE Market.
- 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

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2.1.2 Basis and justification for the Warrants Exercise Price

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

The Warrants Exercise Price 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 20.0% to the 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 the SDCG Group.

For illustrative purpose only, the indicative Warrants Exercise Price is assumed to be at RM0.69 each ("**Indicative Warrants Exercise Price**"), which represents a premium of approximately 19.0% to the 5D-VWAMP of SDCG Shares up to and including the LPD of RM0.5800 per Share. For clarity, the Warrants Exercise Price shall be fixed at a premium of not more than 20.0% to the 5D-VWAMP of SDCG Shares prior to the price fixing date.

2.1.3 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.

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

Approval has been obtained from Bursa Securities on 13 February 2026 for the following:

- (i) the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (ii) the listing and quotation of the new Shares to be issued pursuant to the exercise of the Warrants.

2.1.5 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 tenure of the Warrants.

For illustration purposes, the gross proceeds to be raised assuming full exercise of the Warrants based on the Indicative Warrants Exercise Price is approximately RM146.22 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. The proceeds to be utilised for each component of working capital are estimated as follows:

Details of utilisation	Amount / Percentage to be utilised
Purchase of inventories, materials and equipment costs	Up to RM87.73 million / 60.0%
Defrayment of operational and administrative expenses such as payment of staff salaries and staff related costs, utilities and marketing expenses	Up to RM58.49 million / 40.0%
	Up to RM146.22 million / 100.0%

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 ESOS Options at prices to be determined in the manner set out in Section 2.2.5 of this Circular to all Eligible Employees as set out in the 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 the ESOS Committee. As at the LPD, the ESOS Committee has yet to be appointed.

For the avoidance of doubt, the new SDCG Shares to be issued to Kong Kam Onn and Liuk Ing Hong, whose shareholdings are still currently under moratorium, arising from the exercise of ESOS Options shall also be subject to a similar moratorium.

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 Circular.

In the event where the Company purchases or cancels its own Shares in accordance with Section 127 of the Act 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 allotment

The aggregate number of new Shares that may be offered under the ESOS Options and allotted and issued to a 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.

For information, the Company's proposal to grant up to 80.0% of the total ESOS Options to Directors and/or Senior Management of the SDCG Group (excluding dormant subsidiaries) was made after taking into consideration, amongst others, the retention of Directors and/or Key Senior Management who are responsible for shaping the direction and carrying out initiatives of the Group in the medium to long term as well as the roles and functions performed by and expected contribution from them. Further, the remuneration of Directors and/or Key Senior Management of the SDCG Group are typically higher than other employees of the SDCG Group; hence, such allocation to the Directors and/or Key Senior Management will constitute a larger portion of the total Options granted. In view of this, the 80.0% allocation to Directors and/or Key Senior Management is appropriate as it reflects the strategic importance of their contribution to the organisation and should therefore be incentivised for their efforts.

Notwithstanding the proposed allocation to Directors and/or Key Senior Management is for up to 80.0% of the total Options granted, the ESOS Committee will be tasked to determine the actual quantum of ESOS Options to all Directors and employees based on their merits. Therefore, the actual allocation to non-Directors and/or non-Key Senior Management may be eventually account for more than 20.0% of the total Options granted over the tenure of the scheme; 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 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.

Unless otherwise determine by the ESOS Committee during the ESOS Period, the exercise of the ESOS Options is not subjected to any performance targets.

2.2.3 Eligibility to participate in the Proposed ESOS

An employee who fulfils the following criteria as at the 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; and
- (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 the SDCG Group, whether in an executive or non-executive capacity, who fulfils the following criteria as at the Offer Date shall be eligible to participate in the Proposed ESOS:

- (a) the Director is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (b) 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 Participants are 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% of the 5D-VWAMP of SDCG Shares, on the last trading day immediately prior to the Offer Date, or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the ESOS Period.

2.2.6 Ranking of the new Shares to be issued arising from the exercise of ESOS Options pursuant to the Proposed ESOS

All new Shares to be issued arising from the exercise of the ESOS Options shall, upon allotment and issue, 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 Listing Requirements no later than 5 market days from the effective date of the said amendment and/or modification.

Any unaccepted Offers and/or ESOS Options that are not exercised shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any claim against SDCG and/or the ESOS Committee upon the winding-up or liquidation of SDCG.

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 the 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 ESOS 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

Approval has been obtained from Bursa Securities on 13 February 2026 for the listing and quotation of such number of new SDCG Shares, representing up to 10.0% of SDCG's total number of issued shares (excluding treasury shares, if any) that may be allotted and issued at any point in time pursuant to the exercise of the ESOS Options pursuant to the Proposed ESOS.

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 the 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. Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of funds. The proceeds for working capital will be utilised to finance the Group's operational expenses. The allocation to each component of the working capital are estimated as follows:

Details of utilisation	Percentage to be utilised
Payment to trade creditors	60.0%
Defrayment of operational and administrative expenses such as payment of staff salaries and staff related costs, utilities and marketing expenses	40.0%
	100.0%

Pending the utilisation of proceeds, such proceeds to be raised from the exercise of the ESOS Options 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.

2.2.13 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 Allocations to the following Directors of SDCG Group:

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

For the avoidance of doubt, the new SDCG Shares to be issued to Kong Kam Onn and Liuk Ing Hong, whose shareholdings are still currently under moratorium, arising from the exercise of ESOS Options shall also be subject to a similar moratorium.

Details of the interests of the abovementioned Directors are set out under Section 10 of this Circular.

2.3 Implications relating to the Malaysian Code on Take-Overs and Mergers 2016 (“Code”) and Rules on Take-Overs, Mergers and Compulsory Acquisitions (“Rules”)

In the event the Proposals results in the equity interest of any one of the substantial shareholders and their respective parties acting in concert obtaining control in the Company, i.e. the stake in the Company is increased to beyond 33.0%, or if his/their existing shareholding is between 33.0% to 50.0% and increases by more than 2.0% in any 6 months period, the affected substantial shareholder and parties acting in concert would be obliged to undertake a mandatory offer for the remainder SDCG Shares not already owned by them pursuant to the Code and Rules.

Whilst Kong Kam Onn holds 45.0% direct and 5.0% indirect shareholdings in SDCG as at the LPD, the collective shareholdings of Kong Kam Onn and parties acting in concert may decrease below 50.0% upon exercise of the Warrants and/or ESOS Options. In such circumstances, if the subsequent exercise of Warrants and/or ESOS Options by Kong Kam Onn and parties acting in concert results in the equity interest of Kong Kam Onn and the persons acting in concert to increase by more than 2.0% in any 6 months period (and that such shareholding is still between 33.0% to 50.0%), Kong Kam Onn and persons acting in concert with him would be obliged to undertake a mandatory offer for all the SDCG Shares not held by them collectively.

In addition, as Kong Kam Onn individually holds 45.0% shareholdings in SDCG as at the LPD, if Kong Kam Onn exercises his Warrants and/or ESOS Options resulting in his equity interest increasing by more than 2.0% in any 6 months period, Kong Kam Onn and persons acting in concert with him would be obliged to undertake a mandatory offer for all the SDCG Shares not held by them collectively.

However, a waiver to undertake a mandatory offer may be granted by the Securities Commission under the Code and the Rules, subject to the affected substantial shareholder and parties acting in concert complying with certain conditions.

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

SDCG was listed on the ACE Market on 19 September 2024 and raised gross proceeds of RM45.10 million from its IPO, which were utilised/proposed to be utilised as follows:

Utilisation of proceeds	Estimated timeframe for utilisation upon listing	Proposed utilisation RM'000	Amount utilised as at the LPD RM'000	Percentage utilised %
Expansion of headquarters ⁽¹⁾	Within 24 months	1,900	58	3.1
Tender bonds and/or performance bonds for future projects ⁽²⁾	Within 24 months	5,000	1,565	31.3
Purchase of materials for building management systems (“BMS”) segment and solar thermal systems and energy saving services segment ⁽³⁾	Within 36 months	18,700	8,467	45.3
General working capital ⁽⁴⁾	Within 36 months	12,673	12,673	100.0
Capital expenditure ⁽⁵⁾	Within 36 months	2,522	1,174	46.6
Estimated listing expenses	Within 3 months	4,300	4,300	100.0
		45,095	28,237	

Notes:

- (1) The Group’s headquarters is located on a land area of 4,628 square feet (“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. Ahead of the Group’s business expansion plan, the Group has earmarked RM1.90 million from the proceeds for the expansion of its headquarters by constructing a new extension on the said remaining vacant land, which will increase the built-up area of its existing headquarters from 8,320 sq ft to approximately 14,000 sq ft. The construction of the headquarters is expected to be completed by third quarter of 2026 and Certificate of Completion and Compliance to be obtained by fourth quarter of 2026. As at LPD, the Group has utilised RM0.06 million for the expansion of headquarters.
- (2) As at the LPD, the Group has utilised RM1.57 million out of the RM5.00 million allocated from the IPO proceeds for tender bonds and/or performance bonds for its future projects. A tender bond is required as part of the tender process and is replaced by a performance bond when the project commences. The projects to be tendered or commenced after successful bidding process may progress at different stages. A tender bond may be valid for a period of up to 6 to 12 months from the date of tender closing, and performance bonds allocated across various projects until completion which typically last between 1 to 3 years. Subsequent to the completion of the projects and upliftment of the performance bonds, the Group will reallocate the amount to working capital which will then be used for future performance bonds and/or tender bond.
- (3) As at the LPD, the Group has utilised RM8.47 million out of the RM18.70 million allocated from the IPO proceeds for purchase of materials for BMS segment and solar thermal systems and energy saving services segment. The materials for BMS segment include ICT hardware and software such as direct digital controller, performance sensors and devices, environment sensors, user input devices, and central controllers

and related application software. The materials for solar thermal systems and energy saving services segment include solar thermal system components, solar thermal system installation materials and other materials.

- (4) The Group has fully utilised RM12.67 million from the IPO proceeds to supplement the Group's general working capital requirements for its day-to-day operations including payments to subcontractors, administration and other operating expenses such as utilities, training expenses, manpower and upkeep of office premises.
- (5) As at the LPD, the Group has utilised RM1.17 million out of the RM2.52 million allocated from the IPO proceeds for (a) the purchase of new equipment for its BMS segment, and installation and maintenance of solar thermal hot water systems segment, to enhance the Group's productivity and service delivery of these segments; as well as for (b) the purchase and subscription of ICT software and services to expand the Group's command and control centre function for the monitoring of connected BMS and solar thermal and hybrid hot water systems.

The command and control centre is a centralised facility at the Group's current headquarters in Kajang, Selangor where the Group can monitor its customers' connected BMS and solar thermal hot water systems. The Group also able to control some aspects of the BMS and solar thermal hot water systems such as turning on or off fan coil units.

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

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4. RATIONALE FOR 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, 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.

The Proposed ESOS is also extended to the non-executive Directors of SDCG to recognise their contribution to the Company and enable them to participate in the Company's future growth.

For clarification, the intention of the Proposals is to reward the shareholders and Eligible Employees respectively. Although the Company had raised gross proceeds of RM45.10 million from its IPO on 19 September 2024, all proceeds allocated for the Group's working capital requirements have been fully utilised as disclosed in Section 3. The Proposals thus serve to provide the Group with working capital over the tenure of the Warrants/ESOS Options as and when the Warrants/ESOS Options are being exercised (if any), as disclosed in Sections 2.1.5 and 2.2.12.

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 advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics (“E&E”) goods. Inbound tourism and information and communication technology (“ICT”) related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

On the supply side, growth was mainly accounted for by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E sub-sector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. Meanwhile, the agriculture sector strengthened, reflecting higher growth for palm oil amid less severe floods compared to last year. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.8% (3Q 2025: 2.7%).

Malaysia’s economy grew by 5.2% in 2025, on account of strong domestic demand and favourable exports, exceeding the forecast range of 4.0% - 4.8%. This growth momentum is expected to continue in 2026, supported by resilient domestic demand and exports.

On the domestic front, household spending will benefit from the continued support from employment and wage growth, as well as Government policy measures. Investment activity will be driven by the further progress of multi-year projects in both the private and public sectors, with continued realisation of approved investments and implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (“13MP”). On the external front, export growth will be underpinned by steady global demand, particularly for E&E goods. Growth will also be supported by increased tourism activities following the launch of Visit Malaysia Year 2026.

Going forward, headline inflation is expected to remain moderate in 2026 amid the continued easing in global cost conditions. The modest commodity price outlook would help to contain cost pressures on inflation. Core inflation is expected to remain broadly stable and close to its long-term average in 2026, reflecting continued expansion in economic activity and the absence of excessive demand pressures. The domestic policy reforms implemented in 2025, such as the Sales and Service Tax (“SST”) expansion and targeted RON95 subsidy rationalisation, are projected to result in only modest effects on inflation in 2026.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia, 13 February 2026)

In 2026, Malaysia’s economy is projected to expand between 4.0% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

(Source: Economic Outlook 2026, Ministry of Finance Malaysia, 10 October 2025)

5.2 Overview and prospects of 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 remained strong with growth of 11.0% (third quarter of 2025: 11.8%) attributed by positive performance across all segments. The non-residential buildings and specialised construction activities sub-sectors were the main drivers of the sector, recording double-digit growth of 17.6% and 13.7% respectively. This strong performance was in line with the total value of work done amounting to RM46.40 billion, with a growth of 10.3%.

(Source: Ministry of Economy Department of Statistics Malaysia, Gross Domestic Product Fourth Quarter of 2025, 13 February 2026)

It was reported that Malaysia's construction industry is expected to expand at an average annual rate of 4.0% between 2026 and 2029, supported by sustained public and private investment in housing, oil and gas supply chains, and digital infrastructure. In Malaysia, ongoing investments in data centres and digital infrastructure are expected to remain a key growth driver, alongside demand from residential development and energy-related supply chains. Across the broader Asia-Pacific region, it is expected that most construction markets to record annual growth of between 3.0% and 6.0% from 2026 to 2029, driven by continued investment in renewable energy, transport infrastructure, and digital assets such as data centres and semiconductor facilities.

It was also reported that the analysts highlighted some key infrastructure project pipelines in 2026, including the Penang Light Rail Transit (LRT) Mutiara Line, Sungai Klang Link with an estimated value of RM8-10 billion, Trans-Borneo Railway in third quarter of 2026, Johor Bahru Elevated Autonomous Rapid Transit, and the water infrastructure project in Perak-Penang and Kedah. The private sector remains a key driver for the non-residential category specifically within data centre job flows, which grew by 6.0% to reach RM159.6 billion in contract value in 2025.

5.3 Overview and prospects of the renewable energy industry in Malaysia

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 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. The construction of the Group’s headquarters is estimated to be completed by third quarter of 2026 and its Certificate of Completion and Compliance is expected to be obtained by fourth quarter of 2026.

- (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 include ICT hardware and software such as direct digital controller, performance sensors and devices, environment sensors, user input devices, and central controllers and related application software to carry out its systems integration and maintenance of BMS, and solar thermal system components, solar thermal system installation materials and other materials for the installation and maintenance of solar thermal hot water systems (under its energy performance services and as a standalone business activity). The Group has utilised RM0.56 million 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, RM0.15 million 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 of RM0.69 million from November 2024 up to the LPD 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 Issued share capital

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

	<u>No. of Shares</u>	<u>RM'000</u>
Issued share capital as at the LPD	423,822,460	58,294
Upon full exercise of the Warrants	211,911,230	⁽¹⁾ 146,219
After Proposed Bonus Issue of Warrants	635,733,690	204,513
Upon full exercise of the ESOS Options ⁽²⁾	63,573,369	⁽³⁾ 33,185
Enlarged issued share capital	699,307,059	237,698

Notes:

- (1) Calculated based on the Indicative Warrants 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 RM0.5220, 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 RM0.5800 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 NA, NA per Share and gearing

Proposed Bonus Issue of Warrants

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:

	<u>As at 31 December 2024</u>	<u>After the Proposed Bonus Issue of Warrants</u>	<u>Upon full exercise of Warrants</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Share capital	58,294	58,294	⁽²⁾ 204,513
Reorganisation deficit	(14,258)	(14,258)	(14,258)
Retained earnings	18,651	⁽¹⁾ 18,401	18,401
Total equity	62,687	62,437	208,656
No. of Shares ('000)	423,822	423,822	635,734
NA per Share (RM)	0.15	0.15	0.33
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. The following summarises the estimated expenses incidental to the Proposals, to be funded via internally generated funds:

Details	RM'000
Professional fees (includes advisory fees for, amongst others, our Principal Adviser and solicitors)	133
Fees payable to the authorities	60
Printing, advertising fees and contingencies (includes other incidental or related expenses in relation to the Proposals)	57
	250

- (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 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. For avoidance of doubt, the said cost does not represent a cash outflow by the Group and is merely an accounting treatment of MFRS 2.

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' shareholdings

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 Proposals on the shareholdings of the substantial shareholders of SDCG are set out below:

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

After full granting and exercise of ESOS Options

Substantial shareholders	Direct		Indirect	
	No. of Shares	(5)%	No. of Shares	(5)%
Kong Kam Onn	(4)292,437,672	41.8	(3)38,144,190	5.5
Liuk Ing Hong	(4)38,144,190	5.5	(3)292,437,672	41.8
Solarvest	139,861,500	20.0	-	-

Notes:

- (1) Based on the total number of issued Shares of 423,822,460 as at the LPD.
- (2) Based on 635,733,690 Shares 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.
- (4) Based on the maximum allocation of 6,357,336 ESOS Options each to Kong Kam Onn and Liuk Ing Hong under the Proposed ESOS, representing 10.0% of the ESOS Options to be granted based on the enlarged number of 635,733,690 Shares upon full exercise of the Warrants.
- (5) Based on 699,307,059 Shares upon full exercise of ESOS Options.

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 Options.

7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities for the following:
- (i) the admission of Warrants to the Official List of Bursa Securities and the listing and quotation of 211,911,230 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
 - (ii) the listing and quotation of 211,911,230 new SDCG Shares to be issued pursuant to the exercise of the Warrants; and
 - (iii) the listing and quotation of such number of new SDCG Shares, representing up to 10.0% of SDCG's total number of issued shares (excluding treasury shares, if any) that may be allotted and issued at any point in time pursuant to the exercise of ESOS Options pursuant to the Proposed ESOS;

The abovementioned approval from Bursa Securities has been obtained vide its letter dated 13 February 2026 and is subject to the following conditions:

Proposed Bonus Issue of Warrants

No.	Condition	Status of compliance
1.	SDCG and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants.	To be complied
2.	SDCG and Malacca Securities to inform Bursa Securities upon the completion of Proposed Bonus Issue of Warrants.	To be complied
3.	SDCG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed.	To be complied
4.	SDCG to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
5.	The Warrants and new SDCG Shares to be issued arising from the exercise of the Warrants pursuant to the Proposed Bonus Issue of Warrants to any persons whose Shares are subject to moratorium pursuant to Rule 3.19(1) of the Listing Requirements shall be subject to the same moratorium.	To be complied

Proposed ESOS

No.	Condition	Status of compliance
1.	Malacca Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation, together with a certified true copy of the resolution passed by the shareholders in general meeting.	To be complied

No.	Condition	Status of compliance
2.	SDCG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
3.	The new SDCG Shares to be issued arising from the exercise of the ESOS Options pursuant to the Proposed ESOS to any persons whose Shares are subject to moratorium pursuant to Rule 3.19(1) of the Listing Requirements shall be subject to the same moratorium.	To be complied
(b)	shareholders of SDCG at the forthcoming EGM to be convened for the Proposals; and	
(c)	other relevant authorities, if required.	

8. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of SDCG Shares traded on the ACE Market for the past 12 months, up to the LPD are as follows:

	High (RM)	Low (RM)
2025		
January	0.575	0.535
February	0.560	0.520
March	0.540	0.525
April	0.540	0.465
May	0.530	0.515
June	0.540	0.520
July	0.550	0.480
August	0.550	0.490
September	0.580	0.540
October	0.580	0.535
November	0.570	0.535
December	0.615	0.525
2026		
January	0.565	0.535
February	0.615	0.565

Last transacted price of SDCG Shares as at 30 December 2025 (being the last trading day prior to the date of the announcement of the Proposals) RM0.545

Last transacted market price as at the LPD RM0.590

(Source: Bloomberg)

9. 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.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

10.1 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.

10.2 Proposed ESOS

All Interested Directors are entitled to participate in the Proposed ESOS and are therefore deemed interested in the Proposed ESOS to the extent of their respective allocations under the Proposed ESOS. Notwithstanding the above, all our Directors have agreed to table the Proposed ESOS to our shareholders for their consideration and approval at the EGM to be convened.

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)%
Interested Directors and major shareholders				
Kong Kam Onn	190,720,224	45.0	(2)21,191,236	5.0
Liuk Ing Hong	21,191,236	5.0	(2)190,720,224	45.0
Interested Directors				
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 number of issued Shares of 423,822,460 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.

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 to be convened.

The Interested Directors have undertaken to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and indirect shareholdings 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, chief executive and/or persons connected to them have interest, direct or indirect, in the Proposed ESOS.

11. DIRECTORS' STATEMENTS AND RECOMMENDATION

The Board (save for Directors who have abstained from deliberations to the extent of their respective allocations and to any persons connected to them), having considered amongst others, the objectives, terms, conditions and effects of the Proposals, is of the opinion that the Proposals are in the best interest of SDCG. Accordingly, the Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

In respect of the allocations of the Proposed ESOS, all the Directors have abstained from giving any opinion or recommendation on their respective entitlements and the entitlements to the person(s) connected with them, if any. Where the resolutions are not related to their respective allocations or allocations to the person(s) connected with them, the Directors after having considered all aspects of the allocations of the Proposed ESOS, are of the view that they are in the best interests of the Group and recommend that you **VOTE IN FAVOUR** of the resolutions pertaining to the allocations of the Proposed ESOS to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposals are as follows:

<u>Date</u>	<u>Events</u>
End April 2026	EGM to approve the Proposals
End April 2026	<ul style="list-style-type: none">• Announcement of Entitlement Date for the Proposed Bonus Issue of Warrants• Announcement of effective date for the Proposed ESOS
End May 2026	<ul style="list-style-type: none">• Admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the Warrants on the ACE Market• Completion of the Proposed Bonus Issue of Warrants• Implementation of the Proposed ESOS

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposals are expected to be completed by the second quarter of 2026.

13. CORPORATE EXERCISE ANNOUNCED BUT NOT YET COMPLETED

Save for the Proposals, the Board confirms that there are no other outstanding corporate exercises which has been announced but pending completion as at the LPD.

14. EGM

The EGM, the notice of which is enclosed together with this Circular, will be held at Monkeys Canopy, Lot 683, Jalan Persiaran Bukit Enggang Sg Long Hill, Sungai Long, 43200 Cheras, Selangor on Friday, 24 April 2026 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolutions with or without modifications so as to give effect to the Proposals.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf. The Proxy Form shall be lodged in accordance with the instructions provided thereon not less than twenty-four (24) hours or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently decide to do so.

15. FURTHER INFORMATION

You are advised to refer to the Appendix II set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
SOLAR DISTRICT COOLING GROUP BERHAD

KONG KAM ONN
Managing Director

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**SOLAR DISTRICT COOLING GROUP BERHAD (REGISTRATION NO. 202301015665 (1509587-U))
BY-LAWS OF THE EMPLOYEES' SHARE OPTION SCHEME FOR ELIGIBLE EMPLOYEES AND
DIRECTORS OF SOLAR DISTRICT COOLING GROUP BERHAD AND ITS SUBSIDIARIES
(EXCLUDING DORMANT SUBSIDIARIES, IF ANY)**

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these By-Laws, except where the context otherwise requires, the following expressions shall have the following meanings:-

“Adviser”	:	A corporate finance adviser that may act as a principal adviser under the Securities Commission Malaysia's Principal Adviser Guidelines (as amended from time to time)
“Board”	:	The board of directors of SDCG (as defined herein)
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“By-Laws”	:	By-Laws governing the Scheme as amended, modified and/or supplemented from time to time
“CDS”	:	The Central Depository System governed under SICDA
“CDS Account”	:	The account established by Bursa Depository for a depositor for the recording of deposit and withdrawal of securities and dealings in such securities by that depositor
“Companies Act”	:	Companies Act, 2016, and any amendments made thereto from time to time and includes any re-enactment thereof
“Director”	:	Shall have the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and being a natural person that: (i) occupies or acts in the position of director; (ii) is in accordance with whose directions or instructions the directors of a corporation are accustomed to act; or (iii) is an alternate or substitute director, in SDCG Group
“Disciplinary Actions”	:	Actions instituted by SDCG or its Subsidiaries against a Participant in writing for any alleged misbehaviour, misconduct and/or any other act of the Participant deemed to be unacceptable in the course of that Participant's employment, whether or not such actions may give rise to a dismissal or termination of the employment contract and/or contract of service of such Participant

“Effective Date”	:	The date on which this Scheme takes effect being the date on which the last of the approvals and/or conditions referred to in By-Law 6.1 have been obtained and/or complied with and shall be determined by the ESOS Committee
“Eligible Person(s)”	:	Employees or Directors of the companies within SDCG Group who fulfil the conditions of eligibility as stipulated in By-Law 4
“Employees”	:	Employees of companies within SDCG Group
“ESOS Committee”	:	The committee comprising Director(s) and/or senior management of the Group to be approved by the Board pursuant to By-Law 20 to implement and administer the Scheme in accordance with these By-Laws
“ESOS Option”	:	The right granted to the Selected Employee to exercise and receive a number of Shares at the Option Price, subject to the terms and conditions of these By-Laws
“Listing Requirements”	:	The Listing Requirement of Bursa Securities, which may be amended or applicable to the Company from time to time
“Market Day”	:	Any day between Monday and Friday, both days inclusive, which is a trading day on Bursa Securities
“Maximum Allowable Allocation”	:	The maximum number of ESOS Options that can be offered and allocated in accordance with the provisions of By-Law 5 to a Selected Employee to participate in the Scheme
“Maximum ESOS Options”	:	The maximum number of SDCG Shares to be allotted and issued and/or transferred pursuant to the ESOS Options granted under the Scheme which shall not in aggregate exceed ten percent (10%) of the total number of issued shares of SDCG (excluding treasury shares, if any) at any point in time during the duration of the Scheme
“Offer”	:	An offer made in writing by the ESOS Committee to a Selected Employee pursuant to By-Law 8
“Offer Date”	:	The date on which an Offer is made or deemed made by the ESOS Committee to a Selected Employee which shall be the date the Offer is served in accordance with By-Law 33
“Offer Period”	:	The period of thirty (30) days from the Offer Date or such other period as may be determined by the ESOS Committee having regard to the Terms of Reference and specified in the Offer during which an Offer may be accepted

“Option Period”	:	The period commencing from the date of acceptance of the Offer and expiring on the last day of the Scheme Period or upon the date of termination of the Scheme, whichever is earlier, or such other period as specified by the ESOS Committee in the Offer
“Option Price”	:	The price which a Participant is required to pay to be entitled to receive each SDCG Share pursuant to the exercise of ESOS Option
“Participant(s)”	:	Selected Employee who has duly accepted the Offer in accordance with the By-Laws
“RM” and “sen”	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
“Scheme” or “ESOS”	:	The employees’ share option scheme for the granting of the ESOS Option to the Selected Employees which will upon their acceptance thereof entitles them to subscribe for new Shares in SDCG in accordance with the provisions of these By-Laws and such employees’ share option scheme to be known as the "SDCG Employees' Share Option Scheme"
“Scheme Period”	:	The period of the Scheme as set out in By-Law 6.1
“Selected Employee”	:	An Eligible Person who has been selected by the ESOS Committee and to whom an Offer has been made under the Scheme
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991 as amended from time to time
“Subsidiaries”	:	Subsidiaries of SDCG within the meaning of Section 4 of the Companies Act and shall include such subsidiaries which are existing as at the Effective Date and those subsequently acquired or incorporated at any time during the Scheme Period unless determined by the Board and/or ESOS Committee, in its sole discretion, that any such subsidiary of SDCG shall not fall within this expression
“Terms of Reference”	:	The terms of reference which the Board may establish to regulate and govern the ESOS Committee’s functions and/or responsibilities under these By-Laws as amended from time to time
“Unexercised Options”	:	ESOS Options and/or any part thereof which have not been fully exercised at the relevant time and in respect of which the Option Period has not expired
“Value”	:	The value which is used to determine the number of ESOS Options offered to a Selected Employee as stipulated in the Offer
“SDCG” or “Company”	:	Solar District Cooling Group Berhad (202301015665 (1509587-U)) and shall, where the context admits, include its successors in title

APPENDIX I – DRAFT BY-LAWS

- “SDCG Group” or “Group” : SDCG and its Subsidiaries which are not dormant
- “SDCG Share(s)” or “Shares” : Ordinary share(s) in the capital of SDCG

- 1.2 In these By-Laws, unless the context requires otherwise, words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders.
- 1.3 The headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws.
- 1.4 Any reference to a statute, statutory provision, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated.
- 1.5 Any liberty, power or discretion which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee (including any selection) may be exercised in the ESOS Committee’s sole discretion having regard only to the Terms of Reference (where applicable) and the ESOS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.
- 1.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day.

2. THE SCHEME

The Scheme shall be known as the “**SDCG Employees’ Share Option Scheme**” which will grant the ESOS Option to Selected Employees for them to subscribe for new Shares in the Company at the Option Price any time within the Option Period, in accordance with the provisions of these By-Laws.

3. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 3.1 Subject to By-Law 3.2, the maximum number of SDCG Shares which may be made available under the Scheme shall not exceed in aggregate ten percent (10%) of the total number of issued shares of SDCG (excluding treasury shares, if any) at any point of time during the Scheme Period (“**Maximum ESOS Options**”).
- 3.2 In the event where the Company purchases or cancels its own Shares in accordance with Section 127 of the Companies Act or undertakes any other corporate proposal resulting in the total number of SDCG Shares to be issued under the Scheme exceeding the Maximum ESOS Options or 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 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:-
- (a) 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
 - (b) 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

APPENDIX I – DRAFT BY-LAWS (CONT'D)

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.

- 3.3 ESOS Options which have lapsed for any reason whatsoever will be made available for re-granting at the discretion of the ESOS Committee under this Scheme.
- 3.4 SDCG will use all reasonable efforts to make available/ensure that it has available and sufficient Shares to satisfy the Offers made during the Scheme Period.

4. ELIGIBILITY

- 4.1 Subject to the discretion of the ESOS Committee, an Employee who fulfils the following criteria as at the Offer Date shall be eligible to participate in the Scheme:
- (a) the Employee is at least 18 years of age on the Offer Date and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (b) the Employee has been employed on a full-time basis and not employed on a fixed-term contract, and has been on the payroll of company within the Group for a continuous period of at least 12 months (which shall include any probation period) and the employment with the Group must have been confirmed in writing on or prior to the Offer Date; and/or
 - (c) the Employee must fulfil such other eligibility criteria as may be determined by the ESOS Committee from time to time.
- 4.2 Notwithstanding By-Law 4.1, a Director of SDCG Group who fulfils the following criteria as at the Offer Date shall be eligible to participate in the Scheme:
- (a) the Director is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and/or
 - (b) the Director must have been appointed as a Director of a company within the 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 SDCG Group which are dormant are not eligible to participate in the Scheme.

- 4.3 Notwithstanding By-Laws 4.1 and 4.2, selection for participation in the Scheme shall be at the discretion of the ESOS Committee. The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Person under the Scheme, subject to By-Law 5.1(b), shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

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 Participants are free to exercise the ESOS Options. The selection of any Eligible Person for participation in the Scheme made by the ESOS Committee will be final and binding.

- 4.4 Eligibility for consideration under the Scheme does not confer on an Eligible Person with any rights whatsoever under or to participate in the Scheme unless the ESOS Committee has made an Offer to the Eligible Person under By-Law 8.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

4.5 A set of criteria on eligibility in respect of the allocation as determined by the ESOS Committee from time to time shall be made available to all Employees and Directors of the Group. The allocation of the ESOS Options pursuant to the Scheme shall be verified by the audit committee at the end of each financial year and an audit committee statement on the verification of the allocation shall be included in the annual report of the Company.

4.6 For the avoidance of doubt, to determine the period of employment of an Employee of a subsidiary of the Company, the said Employee's period of employment in the Group, inside or outside of Malaysia, shall be the date on which such company became a subsidiary of the Company, or the date on which the Employee was confirmed, whichever is later.

5. MAXIMUM ALLOWABLE ALLOCATION AND THE BASIS OF ALLOTMENT

5.1 Subject to any adjustments which may be made under By-Law 18, the aggregate maximum number of new Shares under the ESOS Options that may be offered to a Selected Employee shall be determined entirely at the sole and absolute discretion of the ESOS Committee ("**Maximum Allowable Allocation**") provided that:-

(a) no allocation of more than fifty percent (50%) of the total ESOS Options shall be made in aggregate to the Directors and/or key senior management of SDCG Group; and

(b) no allocation of more than ten percent (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 twenty percent (20.0%) or more of the total number of issued shares (excluding treasury shares, if any) of SDCG.

5.2 Subject to By-Law 5.1 and any adjustments which may be made under By-Law 18, the ESOS Committee shall determine the actual number of ESOS Options to be allocated to a Selected Employee after taking into consideration various factors pertaining to the Participant, amongst others and where relevant, length of service, seniority, performance of the Participant and any other factors deemed appropriate by the ESOS Committee.

5.3 At the time the Offer is made in accordance with By-Law 8, the ESOS Committee shall set out the basis of allotment, identifying the category or grade of the Selected Employee and the Maximum Allowable Allocation for the Selected Employee.

5.4 SDCG and/or ESOS Committee shall ensure that:-

(a) the allocation of ESOS Options granted to Selected Employees is verified at the end of each financial year of SDCG by SDCG's audit committee, as being in compliance with the criteria referred to in By-Law 5.2; and

(b) a statement by the audit committee, verifying such allocation, is included in SDCG's annual report.

5.5 The ESOS Committee may stagger the allocation of the ESOS Options at its sole and absolute discretion. In the event the ESOS Committee decides that the allocation is to be staggered, the number of ESOS Options to be allocated for each financial year during the duration of the ESOS (not exceeding the Maximum ESOS Options) and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each allocation shall be separate and independent from the others.

5.6 In the event that any selected Eligible Person is a member of the ESOS Committee, such Eligible Person and persons connected with him/ her who are also members of the ESOS Committee shall abstain from deliberations, discussion and/or voting in respect of any ESOS Options granted or to be granted to that selected Eligible Person or persons connected with him, or held or to be held by him or them.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 5.7 In the event that a Participant is promoted, such promoted Participant may be eligible for consideration for additional ESOS Options to be decided by ESOS Committee at its discretion subject to the following:
- (a) that the additional Offer shall be from the balance of the Maximum ESOS Options available under the Scheme; or
 - (b) the ESOS Committee has the discretion not to make further additional Offer in the event that the balance of the Maximum ESOS Options available is inadequate to make a meaningful additional allotment.
- 5.8 The Participant who is demoted to a lower grade for whatsoever reason shall only be entitled to the allocation of that lower grade unless an Offer has been made and accepted by him before such demotion and where he has accepted an Offer which exceeds his Maximum Allowable Allocation under that lower grade, he shall not be entitled to any further allocation for that lower grade.

6. SCHEME PERIOD AND TERMINATION OF THE SCHEME

- 6.1 The Scheme shall take effect on the date on which the last of the following approvals and/or conditions shall have been obtained and/or complied with ("**Effective Date**"):
- (a) receipt of the approval-in-principle from Bursa Securities for the listing of and quotation for the Shares to be issued pursuant to the Scheme;
 - (b) the approval of the shareholders of SDCG in an extraordinary general meeting for the Scheme;
 - (c) the submission to Bursa Securities of the final copy of the By-Laws together with a letter of compliance and checklist showing compliance with the Listing Requirements;
 - (d) the approval of the relevant regulatory authorities whose approval is necessary in respect of the Scheme;
 - (e) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals (if any);

and shall continue to be in force for a period of five (5) years from the Effective Date provided always that on or before the expiry, the Board shall have the absolute discretion, without the Company's shareholders' approval, upon recommendation of the ESOS Committee to extend in writing the duration of the Scheme (as the Board may deem fit) for up to another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years and shall not in aggregate exceed a duration of ten (10) years from the Effective Date ("**Scheme Period**").

- 6.2 Within five (5) Market Days from the Effective Date, SDCG shall through its Adviser submit a confirmation to Bursa Securities of full compliance with approvals and/or conditions set out in By-Law 6.1 stating the Effective Date, together with a certified true copy of the relevant resolution passed by the shareholders of SDCG in the general meeting approving the Scheme.
- 6.3 Notwithstanding anything set out in these By-Laws and subject always to compliance with Bursa Securities and any other regulatory authorities' requirements, guidelines or directives, the Scheme may be terminated at any time by the ESOS Committee during the Scheme Period or during any extension or renewal period, as the case may be, without obtaining the approvals from the shareholders of SDCG 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 ("**Termination Date**").

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- 6.4 Upon the termination of the Scheme, the following provisions shall apply:
- (a) no further Offer shall be made by the ESOS Committee from the Termination Date;
 - (b) all Offers which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date and be null and void;
 - (c) the Company makes an announcement immediately to Bursa Securities; and
 - (d) all Unexercised Options shall be automatically terminated on the Termination Date and be null and void.

7. RETENTION PERIOD

- 7.1 The Shares allotted and issued or transferred pursuant to the exercise of ESOS Options under this Scheme 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.
- 7.2 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 the ESOS Options offered to him pursuant to the Scheme within one (1) year from the Offer Date.
- 7.3 The expression “retention period” referred to in By-Law 7.1 shall mean the period in which SDCG Shares allotted and issued or transferred pursuant to exercise of ESOS Options under this Scheme must not be sold, transferred, assigned or otherwise disposed of by the Participant.

8. OFFER OF ESOS OPTIONS UNDER THE SCHEME

- 8.1 Upon commencement of the Scheme, the ESOS Committee may, subject to compliance with all relevant regulatory authorities’ guidelines and/or directives, from time to time during the Scheme Period, make an Offer to a Selected Employee to participate in the Scheme.
- 8.2 Subject to By-Law 8.3, an Offer shall comprise an ESOS Option which is exercisable during the Option Period by a Participant to receive new SDCG Shares, provided that the conditions as set out in By-Law 9.2 and such other conditions as may be stipulated by the ESOS Committee in the Offer are duly and fully satisfied.
- 8.3 Nothing herein shall prevent the ESOS Committee from making more than one 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.
- 8.4 No Offer shall be made to any Director or major shareholder of SDCG Group or persons connected to them as defined in the Listing Requirements unless such Offer and the related allotment of new Shares to such person have previously been approved by the shareholders of SDCG in a general meeting.
- 8.5 SDCG shall keep and maintain at its expense a register of Selected Employees and shall enter in that register the names and addresses of the Selected Employees, the Maximum Allowable Allocation, the number of Shares comprised in the ESOS Options, the number of Shares exercised, the Date of Offer and the Option Price.

9. TERMS OF THE OFFER

- 9.1 The ESOS Committee may stipulate any terms and conditions it deems appropriate in an Offer and the terms and conditions of each Offer may differ.
- 9.2 The terms and conditions set out in the Offer relating to an ESOS Option may include the following, where applicable:
- (a) Value;
 - (b) Number of SDCG Shares entitled to be received upon the exercise of the ESOS Option;
 - (c) Option Price;
 - (d) Option Period;
 - (e) Offer Date;
 - (f) Offer Period;

and may include such/any other conditions as may be stipulated by the ESOS Committee.

- 9.3 In the event of any error in stating any of the particulars referred to in By-Law 9.2 or otherwise in the Offer, the ESOS Committee may, to the extent permitted by law, issue a revised Offer stating the correct particulars referred to in By-Law 9.2.
- 9.4 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 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 Scheme Period.

10. OPTION PRICE

The Option Price shall be fixed (as determined by the Board upon recommendation of the ESOS Committee) based on the five (5)-day volume weighted average market price of SDCG Shares transacted on the Bursa Securities immediately preceding the Offer Date (*or such basis as the relevant authorities may permit*) with a discount to the volume weighted average market price of the SDCG Shares of not more than ten per centum (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Scheme Period.

11. ACCEPTANCE OF THE OFFER

- 11.1 The Offer may only be accepted by the Selected Employee during the Offer Period in such form and manner as may be prescribed in the Offer and shall be accompanied by a non-refundable sum of Ringgit Malaysia One (RM1.00) only payable to SDCG. The date of receipt by the ESOS Committee of such form together with the money shall be the date of acceptance of the Offer by the Selected Employee, provided that the Scheme is not terminated pursuant to By-Law 6.3.
- 11.2 In the event that the Selected Employee fails to accept the Offer in the manner prescribed within the Offer Period, the Offer shall automatically lapse and shall then be null and void provided that the ESOS Committee shall not be precluded from making a fresh Offer, on such terms as the ESOS Committee may so decide, to the Selected Employee subsequently.

12. SATISFACTION OF CONDITIONS

- 12.1 The determination as to whether the stipulated conditions in the Offer have been fulfilled shall be made by the ESOS Committee, as the case may be.
- 12.2 Where the ESOS Committee has made the determination that the stipulated conditions have been fulfilled pursuant to By-Law 12.1, the ESOS Committee shall notify the Participant of the number of SDCG Shares which the Participant is entitled to receive upon the exercise of the ESOS Option granted to him. Upon receipt of such notification, the Participant who exercises the ESOS Option shall notify the ESOS Committee (in the form as may be prescribed by the ESOS Committee from time to time) of his CDS Account number. The relevant new Shares will be credited directly into the CDS Account as stated in the notice of exercise. No physical share certificates will be issued for the new Shares.
- 12.3 In the event that the conditions stipulated in an Offer in respect of any one or more Participant cannot be achieved/satisfied, the ESOS Committee may in its discretion by notice in writing to such Participant(s), waive any conditions stipulated in the Offer.
- 12.4 No Participant shall have any right to or interest in SDCG Shares or right to exercise the ESOS Options granted to him unless and until the ESOS Committee has made a determination and notification under the provisions of By-Laws 12.1 and 12.2 and with effect from the date on which the ESOS Options are duly exercised and the remittance for the full amount of the monies for SDCG Shares in respect of which the ESOS Options are exercised is paid pursuant to By-Law 13.
- 12.5 The ESOS Committee shall, within eight (8) Market Days after the ESOS Committee's receipt of the notice of exercise of an ESOS Option and remittance for the full amount of monies for SDCG Shares in respect of which the ESOS Option is exercised pursuant to By-Law 13.3 (or such other period as may be prescribed or allowed by Bursa Securities):
- (a) credit the relevant number of SDCG Shares into the CDS Account so notified;
 - (b) despatch a notice of allotment and issue and/or transfer of such SDCG Shares issued pursuant to the ESOS Option to the Participant; and
 - (c) make an application for the quotation of such relevant number of SDCG Shares issued pursuant to the ESOS Option (where applicable).

13. EXERCISE OF ESOS OPTIONS

- 13.1 An ESOS Option may be exercised by a Participant within the Option Period in full or in part by notice in writing to SDCG or ESOS Committee in the prescribed form as may be amended from time to time during the Option Period, provided that where an ESOS Option is exercised in part, such exercise shall not be for less than one hundred (100) Shares and shall be for multiples of one hundred (100) Shares other than in the case of the final exercise by the Participant under the ESOS Option.
- 13.2 An ESOS Option granted to a Participant under the Scheme, subject to the provisions of By-Law 15, is exercisable only by that Participant during his lifetime and whilst he is in the employment of the Group and within the Option Period. All unexercised or partially exercised ESOS Options shall become null and void at the expiry of the Option Period.
- 13.3 The partial exercise of an ESOS Option shall not preclude the Participant from exercising the ESOS Option with respect to the balance of Shares comprised in the ESOS Option during the Option Period.

APPENDIX I – DRAFT BY-LAWS (CONT’D)

- 13.4 Every notice of exercise of an ESOS Option referred to in By-Law 13.1 must be in the form prescribed by the ESOS Committee as amended from time to time and accompanied by a remittance for the full amount of the monies for the Shares in respect of which the ESOS Option is exercised.
- 13.5 Subject to the discretion of the ESOS Committee to waive any breach, failure by a Participant to comply with the procedure for an exercise of ESOS Option as stipulated in the provisions of By-Law 13 will invalidate the purported exercise of such ESOS Option by the Participant.

14. DISCIPLINARY ACTIONS

- 14.1 In the event a Selected Employee is subjected to Disciplinary Actions after an Offer is made but before the acceptance thereof by such Selected Employee, the Offer is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Selected Employee. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer to such Selected Employee in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer is made within the duration of the Scheme Period.
- 14.2 In the event a Participant is subjected to Disciplinary Actions, the right of the Participant to exercise any Unexercised Option shall be suspended pending the outcome of the Disciplinary Actions unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the Disciplinary Actions made or brought against the Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh Offer and/or reinstating the right of the Participant to exercise any Unexercised Option in the event that such Disciplinary Actions are not found against him or if such Disciplinary Actions are withdrawn provided that such Offer and/or reinstatement is made within the duration of the Scheme Period. If the ESOS Committee does not reinstate such right of the Participant prior to the expiry of the Scheme Period, the Offer and acceptance thereof shall automatically lapse and shall immediately become null and void.

For the avoidance of doubt, Disciplinary Actions initiated against a Participant after the exercise by such Participant of his/her ESOS Option(s) in accordance with the terms of these By-Laws shall not affect the right of the Participant to receive SDCG Shares pursuant to such exercise of the ESOS Option.

15. TERMINATION OF OFFERS AND UNEXERCISED ESOS OPTION(S)

- 15.1 Subject to By-Laws 15.2 and 15.3, any unaccepted Offers in respect of a Selected Employee and/or any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or ceased to be exercisable, as the case may be, without any liability to or right to claim against SDCG and/or the ESOS Committee upon the occurrence of any one or more of the following events:
- (a) service of a notice to resign by a Selected Employee or Participant, as the case may be;
 - (b) service of a notice of termination on or termination of contract of service or cessation of employment of Selected Employee (including removal of Director) or Participant with SDCG Group by reason of misconduct, as the case may be;
 - (c) bankruptcy of a Selected Employee or Participant, as the case may be; or
 - (d) any other circumstances prescribed by the ESOS Committee from time to time.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

15.2 In the event of the termination or cessation of employment or contract of service of the Participant with SDCG Group in any of the following circumstances:

- (a) retirement on attaining the retirement age under SDCG Group's retirement policy;
- (b) retirement before attaining the normal retirement age by reason of ill-health, injury, physical or mental disability;
- (c) redundancy or voluntary separation scheme;
- (d) transfer to any company outside the Group at the direction of SDCG;
- (e) termination or non-renewal of contract of service; or
- (f) any other circumstances which are acceptable to the ESOS Committee in its sole discretion;

the ESOS Committee may in its discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Option Period has not commenced; and/or
- (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied;

provided that unless the ESOS Committee in its sole discretion so permits such exercise, as the case may be by notice in writing to the Participant, any Unexercised Option in respect of a Participant shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any liability to or right to claim against SDCG and/or ESOS Committee.

15.3 In the event of death of the Participant, By-Law 15.2 may at the discretion of the ESOS Committee apply *mutatis mutandis* to the Participant's legal or personal representatives as if the Participant's legal or personal representatives were the Participant.

15.4 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 15.2 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

15.5 Any unaccepted Offers and/or Unexercised Options shall forthwith lapse and/or be deemed to be cancelled and/or cease to be exercisable, as the case may be, without any claim against SDCG and/or ESOS Committee upon the occurrence of one or more of the following events:-

- (a) winding-up or liquidation of SDCG; or
- (b) termination of the Scheme pursuant to By-Law 6.

16. TAKEOVER AND DISPOSAL OF ASSETS

16.1 In the event of:

- (a) a take-over offer being made for SDCG through a general offer to acquire the whole of the issued shares of SDCG (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror) and such takeover offer is announced by the Offeror as being unconditional or have become unconditional; or
- (b) SDCG dispose of all or substantially all of its assets and the disposal becomes unconditional,

APPENDIX I – DRAFT BY-LAWS (CONT'D)

upon determination of the ESOS Committee at its sole discretion, any Unexercised Options may immediately be exercised by a Participant at any time subject to such terms and conditions (if any) as may be prescribed by the ESOS Committee notwithstanding that the Option Period has not commenced.

- 16.2 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 16.1 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

17. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 17.1 In the event of the court sanctioning a compromise or arrangement between SDCG and its members proposed for the purposes of, or in connection with, a scheme of arrangement and reconstruction of SDCG or its amalgamation with any other company or companies, the ESOS Committee may permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:

- (a) the Option Period has not commenced; and/or
- (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 17.2 All ESOS Options which the ESOS Committee permits to be exercisable pursuant to By-Law 17.1 shall automatically lapse and shall become null and void to the extent unexercised by the date prescribed notwithstanding that the Option Period has not commenced or expired.

18. ALTERATION OF CAPITAL

- 18.1 In the event of any alteration in the capital structure of SDCG during the Scheme Period, whether by way of capitalisation of profit or reserves, rights issues, bonus issues, capital reduction, capital repayment, sub-division or consolidation of capital, declaration of any special dividend or distribution or any other variation of capital 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 Scheme 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), adjustment in:-

- (a) the Option Price; and/or
- (b) the number of new SDCG Shares which a Participant shall be entitled to subscribe for upon the exercise of each ESOS Option.

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

Any adjustments other than on a bonus issue, subdivision or consolidation of shares must be confirmed in writing either by the external auditors or the sponsor or adviser, as the case may be, of the listed corporation.

- 18.2 If the ESOS Committee decides that no material dilution or enlargement of the rights of the Participants would result from an alteration in the capital structure of SDCG and no adjustments will be made, the ESOS Committee shall inform the Participants of this decision through an announcement to all the Directors and Employees of the Group to be made in such manner deemed appropriate by the ESOS Committee.

- 18.3 Subject to By-Law 18.5, any adjustment in the Option Price and/or number of SDCG Shares comprised in Offers shall comply with the requirements of any applicable statutes, rules, regulations and/or conditions issued by the relevant authorities (including the Listing Requirements) and shall, where appropriate and to the extent possible, endeavour to give

APPENDIX I – DRAFT BY-LAWS (CONT'D)

each Participant the same proportion of the issued ordinary shares of SDCG as that to which he was previously entitled.

18.4 The provisions of By-Laws 18.1, 18.2 and 18.3 shall not apply where a change in the capital structure of SDCG arises from:

- (a) the issue of SDCG Shares or other securities convertible into SDCG Shares or right to acquire or subscribe for SDCG Shares in consideration or part consideration for any acquisition by SDCG Group;
- (b) a special issue, restricted issue or private placement of SDCG Shares;
- (c) a share buy-back arrangement by SDCG and the cancellation of all or a portion of the shares pursuant to the relevant provisions of the Companies Act;
- (d) an issue of SDCG Shares arising from the exercise of any conversion rights attached to securities convertible to SDCG Shares or upon exercise of any other rights including warrants and convertible loan stocks (if any) issued by SDCG;
- (e) a special issue of new SDCG Shares to Bumiputera investors nominated by the Ministry of International Trade and Industry, Malaysia and/or any other government authority to comply with Government policy on Bumiputera capital participation; and
- (f) an issue of further Offers pursuant to the Scheme and the allotment and issuance of SDCG Shares for the purpose of satisfying ESOS Options; and
- (g) a transfer listing application by the Company

18.5 Any adjustment pursuant to this By-Law 18 shall be made in accordance with the formulae as set out below on the Market Day immediately following the books closure date for the event giving rise to the adjustment:

- (a) If and whenever a consolidation or subdivision or conversion of SDCG Shares occurs, then the Option Price shall be adjusted and the additional number of Shares comprised in the Offer shall be calculated in accordance with the following formula:

$$\text{New Option Price} = S \times \left[\frac{U}{V} \right]$$

$$\text{Additional number of Shares} = T \times \left[\frac{V}{U} \right] - T$$

where

S = existing Option Price; and

T = existing number of Shares comprised in the Offer that remains unexercised.

U = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of SDCG immediately preceding such consolidation, subdivision or conversion; and

V = aggregate number of Shares (excluding Shares held as treasury shares, if any) in the share capital of SDCG after such consolidation, subdivision or conversion.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Each such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when SDCG Shares are traded on Bursa Securities at the new value), or such period as may be prescribed by Bursa Securities.

- (b) If and whenever SDCG shall make any issue of SDCG Shares to its ordinary shareholders of SDCG credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

$$\text{Additional number of Shares} = T \times \left[\frac{A+B}{A} \right] - T$$

where

A = the aggregate number of issued and fully paid-up SDCG Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of SDCG Shares to be issued pursuant to any allotment to ordinary shareholders of SDCG credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

T = as T above.

Each such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (c) If and whenever SDCG shall make:
- (i) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for SDCG Shares by way of rights; or
 - (iii) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into SDCG Shares or securities with rights to acquire or subscribe for SDCG Shares,

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 18.5(c)(ii) and (c)(iii) hereof, the additional number of Shares comprised in the Offer shall be calculated as follows:

APPENDIX I – DRAFT BY-LAWS (CONT’D)

$$\text{Additional number of Shares} = T \times \left[\frac{C}{C-D^*} \right] - T$$

where

C = the Current Market Price (as defined in By-Law 18.5(h) below) of each SDCG Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (aa) in the case of an offer or invitation to acquire or subscribe for SDCG Shares by way of rights under By-Law 18.5(c)(ii) above or for securities convertible into SDCG Shares or securities with rights to acquire or subscribe for SDCG Shares under By-Law 18.5(c)(iii) above, the value of rights attributable to one (1) SDCG Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 18.5(c) hereof, the fair market value, as determined by an auditor of SDCG, of that portion of the Capital Distribution attributable to one (1) SDCG Share.

For the purpose of definition (aa) of D above, the “value of the rights attributable to one (1) SDCG Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where

C = as C above;

E = the Option Price for one (1) additional SDCG Share under the terms of such offer or invitation or Option Price for one (1) additional SDCG Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) SDCG Share under the offer or invitation;

F = the number of SDCG Shares necessary for SDCG shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional SDCG Share or security convertible into rights to acquire or subscribe for one (1) additional SDCG Share; and

D* = the value of rights attributable to one (1) SDCG Share (as defined below); and

For the purpose of definition D* above, the “value of rights attributable to one (1) SDCG Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

where

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- C = as C above;
- E* = the Option Price for one (1) additional SDCG Share under the terms of such offer or invitation to acquire or subscribe for SDCG Shares; and
- F* = the number of SDCG Shares necessary for a SDCG shareholder to hold in order to be offered or invited to acquire or subscribe for one (1) additional SDCG Share.

For the purpose of By-Law 18.5(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of SDCG Shares (not falling under By-Law 18.5(b) hereof) or other securities credited as fully or partly paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of SDCG as shown in the audited consolidated profit and loss accounts of SDCG.

Such adjustments will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (d) If and whenever SDCG makes an allotment to its ordinary shareholders as provided in By-Law 18.5 (b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) or (c)(iii) above and the record date for the purpose of the allotment is also book closure date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where SDCG makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 18.5(c)(ii) above and the record date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares:

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

- B = as B above;
- C = as C above;
- G = the aggregate number of issued and fully paid-up SDCG Shares on the book closure date;
- H = the aggregate number of new SDCG Shares under an offer or invitation to acquire or subscribe for SDCG Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into SDCG Shares or rights to acquire or subscribe for SDCG Shares, as the case may be;

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- H* = the aggregate number of new SDCG Shares under an offer or invitation to acquire or subscribe for SDCG Shares by way of rights;
- I = the Option Price of one (1) additional SDCG Share under the offer or invitation to acquire or subscribe for SDCG Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional SDCG Share, as the case may be;
- I* = the Option Price of one (1) additional SDCG Share under the offer or invitation to acquire or subscribe for SDCG Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for such issue.

- (e) If and whenever SDCG makes any offer or invitation to its ordinary shareholders to acquire or subscribe for SDCG Shares as provided in By-Law 18.5(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for SDCG Shares as provided in By-Law 18.5(c)(iii) above, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares

$$= T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = the aggregate number of SDCG Shares to be issued to its ordinary shareholders of SDCG upon conversion of such securities or exercise of such rights to subscribe for SDCG Shares by the ordinary shareholders of SDCG;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional SDCG Share; and
- T = as T above.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (f) If and whenever SDCG makes an allotment to its ordinary shareholders as provided in By-Law 18.5(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for SDCG Shares as provided in By-Law 18.5(c)(ii) above, together with rights to acquire or subscribe for securities convertible into SDCG Shares or with rights to acquire or subscribe for Shares as provided in By-Law 18.5(c)(iii) above, and the record date for the purpose of allotment is also the book closure for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the additional number of Shares comprised in the Offer shall be calculated as follows:

Additional number of Shares

$$= T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

where

- B = as B above;
C = as C above;
G = as G above;
H = as H above;
H* = as H* above;
I = as I above;
I* = as I* above;
J = as J above;
K = as K above; and
T = as T above.

Such adjustment will be effective (if appropriate retroactively) from the commencement of the next Market Day following the book closure date for the above transactions.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of SDCG and requiring an adjustment under By-Laws 18.5(c)(ii), (c)(iii), (d), (e) or (f) above), SDCG shall issue either any SDCG Shares or any securities convertible into SDCG Shares or any rights to acquire or subscribe for SDCG Shares, and in any such case, the Total Effective Consideration per SDCG Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) SDCG Share (as defined below) or, as the case may be, the price at which SDCG Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Option Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

where

- L = the number of SDCG Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of SDCG Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of SDCG Shares so issued or, in the case of securities convertible into SDCG Shares or rights to acquire or subscribe for SDCG Shares, the maximum number (assuming no adjustment of such rights) of SDCG Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 18.5(g), the “Total Effective Consideration” shall be determined by the Board with the concurrence of an auditor or relevant expert in the following manner:

- (i) in the case of the issue of SDCG Shares, the aggregate consideration receivable by SDCG on payment in full for such SDCG Shares; or
- (ii) in the case of the issue by SDCG of securities wholly or partly convertible into SDCG Shares, the aggregate consideration receivable by SDCG on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by SDCG upon full conversion of such securities (if any); or
- (iii) in the case of the issue by SDCG of securities with rights to acquire or subscribe for SDCG Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by SDCG upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and “Total Effective Consideration per SDCG Share” shall be the Total Effective Consideration divided by the number of SDCG Shares issued as aforesaid or, in the case of securities convertible into SDCG Shares or securities with rights to acquire or subscribe for SDCG Shares, by the maximum number of SDCG Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 18.5(g), the Average Price of a SDCG Share shall be the average price of one (1) SDCG Share as derived from the last dealt prices for one or more board lots of SDCG Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such SDCG Shares is determined.

Each such adjustment will be calculated (if appropriate retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which SDCG determines the offering price of such SDCG Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- (h) For the purpose of By-Law 18.5(c), (d), (e) and (f), the “Current Market Price” in relation to one (1) SDCG Share for any relevant day shall be the volume weighted average market price for the five (5) consecutive Market Days before such date.
- 18.6 If an event occurs that is not set out in By-Law 18.5 or if the application of any of the formulae to an event results in a manifest error or in the opinion of ESOS Committee is not appropriate, the ESOS Committee may agree to an adjustment subject to the provision of By-Law 18.3 provided that the Participants shall be notified of the adjustment through an announcement to all the Directors and Selected Employee of the Group to be made in such manner deemed appropriate by the ESOS Committee.
- 18.7 In the event that a fraction of a SDCG Share arises from the adjustments pursuant to this By-Law 18, the number of SDCG Shares shall automatically be rounded down to the nearest whole number.
- 18.8 The provisions of By-Law 18 shall also apply to a situation where the Offer Period has not lapsed and the Offer has not been accepted by the Selected Employee or withdrawn by the ESOS Committee.

19. RIGHTS ATTACHED TO SHARES AND THE LIQUIDATION OF THE COMPANY

- 19.1 The new SDCG Shares to be allotted upon exercise of the ESOS Options shall upon allotment and issue, rank *pari passu* in all respects with the existing SDCG Shares, save and except that the new SDCG Shares so issued shall not be entitled for any dividends, rights, allotments and/or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such SDCG Shares.
- 19.2 In the event the ESOS Options exercised are satisfied via existing SDCG Shares, the Participant shall not be entitled to any entitlement attached to such SDCG Shares in respect of which the entitlement date is prior to the date on which SDCG Shares are credited into the CDS Account of the Participant.
- 19.3 The SDCG Shares obtained through the exercise of ESOS Options shall be subjected to all the provisions of the Constitution of SDCG in relation to their transfer, transmission or otherwise.
- 19.4 In the event that any order is made or a special resolution is passed for the liquidation of the Company, all Unexercised Options or unaccepted Offers shall cease to be exercisable and have no further effect and/or any claim against the Company and/or ESOS Committee.
- 19.5 Fractional entitlements arising from the Scheme if any, will be dealt with in such manner as the Board shall in its absolute discretion deems fit and expedient, and in the best interest of the SDCG.

20. ADMINISTRATION

- 20.1 The Scheme shall be implemented and administered by the ESOS Committee consisting of such persons from the Board and/or senior management of the Group, appointed by the Board from time to time.
- 20.2 The ESOS Committee shall administer the Scheme in such manner as it shall in its discretion deem fit. For the purpose of administering the Scheme, the ESOS Committee may do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Scheme, as the ESOS Committee may in its discretion deem fit necessary and/or expedient for the implementation and administration of, and to give full effect to, the Scheme.

APPENDIX I – DRAFT BY-LAWS (CONT'D)

20.3 In implementing the Scheme, the ESOS Committee may at its sole and absolute discretion decide that the ESOS Options be satisfied by any of the following methods:-

- (a) issuance of new SDCG Shares;
- (b) acquisition of existing SDCG Shares from the market;
- (c) transfer of the Company's treasury shares or any other methods as may be permitted by the Companies Act;
- (d) payment by cash; or
- (e) any combination of the above.

In considering the settlement of the ESOS Options, the ESOS Committee will take into consideration, amongst others, factors such as the prevailing market price of SDCG Shares, funding considerations and dilutive effects on the Company's capital base.

For the avoidance of doubt, should the ESOS Committee decide to satisfy the ESOS Options via payment by cash, the amount to be paid to the Participant for each ESOS Option exercised shall be the excess of the five (5)-day volume weighted average market price of SDCG Shares up to the date of exercise of the ESOS Options over the Option Price, if any.

20.4 The Board shall have power at any time and from time to time to:

- (a) approve, rescind and/or revoke the appointment of any member of the ESOS Committee and appoint replacement members to the ESOS Committee; and
- (b) assume and/or exercise or execute any of the powers and authorities conferred upon the ESOS Committee pursuant to these By-Laws.

21. QUOTATION

In cases where the ESOS Options are satisfied by the issue of new SDCG Shares, the new SDCG Shares to be allotted will not be listed or quoted on the stock exchange of Bursa Securities until an application is made to Bursa Securities for such listing and quotation of the new SDCG Shares.

22. AMENDMENT, VARIATION AND/OR MODIFICATION TO THE SCHEME

22.1 Subject to By-Law 22.2 and 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 these 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 these By-Laws upon such recommendation.

22.2 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 these By-Laws save and except if such addition, amendment, modifications and/or deletion would:

- (a) increase the number of ESOS Options available under the Scheme beyond the Maximum ESOS Options; or
- (b) provide an advantage to any Participant or group of Participants or all the Participants in respect of any matters which are required to be contained in the By-Laws by virtue of paragraphs (1) to (8) of the Appendix 6E (or any amendments subsequent thereto) of the Listing Requirements (in which event the prior approval of the shareholders of

APPENDIX I – DRAFT BY-LAWS (CONT'D)

SDCG in a general meeting is required) unless otherwise permitted under the provisions of the Listing Requirements.

- 22.3 Where an amendment and/or modification is made to these By-Laws, SDCG shall submit to Bursa Securities, the amendment and/or modification to these 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 five (5) Market Days from the effective date of the said amendment and/or modification.

23. NON-TRANSFERABILITY

An ESOS Option shall be personal to the Participant and cannot be assigned, transferred or otherwise disposed of in any manner whatsoever unless By-Law 15.3 applies.

24. DISPUTES

In the event of any dispute between the ESOS Committee with an Eligible Person or any Participant or group of Participants, as to any matter or thing of any nature arising hereunder, such dispute or difference shall be referred to the Board whose decision shall be final and binding on all parties in all respects.

25. SCHEME NOT A TERM OF EMPLOYMENT/ CONTRACT OF SERVICE

This Scheme does not form part of nor shall it in any way be construed as forming part of the terms and conditions of employment or contract of service of any Director or Employee. This Scheme shall not confer or be construed to confer on any Director and/or Employee any special rights or privileges over the Director and/or Employee's terms and conditions of employment or contract of service in SDCG Group nor any rights in addition to compensation or damages that the Director and/or Employee may be normally entitled to arising from the cessation of such employment or contract of service.

26. COMPENSATION

- 26.1 No Directors, Employees or Participants who cease to hold office in or employment or under a contract of service with SDCG Group shall be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme.
- 26.2 SDCG, the Board or the ESOS Committee shall not be liable for any compensation, loss or damages of any claim, action or proceeding by any Director, Employee, Participant or legal or personal representatives whatsoever and howsoever arising from the suspension of his rights to exercise his ESOS Options or his ESOS Options ceasing to be valid pursuant to the provisions of these By-Laws.

27. DIVESTMENT FROM THE GROUP

- 27.1 If a Participant who held office or was in the employment or under a contract of service with a corporation of SDCG Group which has ceased to be a Subsidiary as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as provided under these By-Laws), the ESOS Committee may in its discretion permit the exercise of any Unexercised Options by the Participant at any time subject to such terms and conditions as may be prescribed notwithstanding that:
- (a) the Option Period has not commenced; and/or
 - (b) other terms and conditions set out in the Offer has not been fulfilled/satisfied.

- 27.2 All ESOS Options which may be allowed by the ESOS Committee to be exercisable under By-Law 27.1(b), to the extent unexercised by the date prescribed by the ESOS Committee, shall automatically lapse and shall become null and void.

28. TRANSFER TO OTHER COMPANIES NOT WITHIN THE GROUP

- 28.1 In the event that a person who was in the employment or under a contract service of a company which subsequently becomes a Subsidiary as a result of a restructuring or acquisition or otherwise involving SDCG and/or any company within the Group, such person (“**Affected Participant**”) will, if the Affected Participant satisfies all the relevant conditions of these By-Laws, be eligible to be considered for an Offer for the remaining Scheme Period at the discretion of the ESOS Committee.

29. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Participants shall be entitled to inspect a copy of the latest audited financial statements of SDCG at the registered office of SDCG from Mondays to Fridays (excluding public holidays) during normal office hours.

30. COSTS, EXPENSES AND TAXES

- 30.1 SDCG shall bear all fees, costs and expenses incurred in relation to the Scheme including but not limited to the costs and expenses (including stamp duty, if any) relating to the issue, allotment and/or transfer of SDCG Shares pursuant to the exercise of the ESOS Options.
- 30.2 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes, including, without limitation, income taxes that are incurred by a Participant pursuant to by-Law 30.1 or relating to the exercise of any ESOS Options and any holding or dealing of such SDCG Shares (such as, but not limited to brokerage commissions and stamp duty) shall be borne by that Participant and SDCG shall not be liable for any of such costs, fees, levies, charges and/or taxes.

31. CONSTITUTION

Notwithstanding the terms and conditions contained in this Scheme, if a situation of conflict should arise between any provision of these By-Laws and the Constitution of SDCG and/or the Listing Requirements, the provisions of the Constitution of SDCG and/or the Listing Requirements shall prevail to the extent of such conflict.

32. ERRORS AND OMISSIONS

If in consequence of an error or omission, the ESOS Committee discovers/determines that:

- (a) a Director and/or an Employee who was selected by the ESOS Committee as a Participant, has not been given the opportunity to participate in the Scheme on any occasion; or
- (b) the number of SDCG Shares allotted and issued and/or transferred to any Participant on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Participant is given the opportunity to participate in the Scheme

APPENDIX I – DRAFT BY-LAWS (CONT'D)

and/or the aggregate number of SDCG Shares to which the Participant is correctly entitled to is credited into his CDS Account.

33. NOTICE

- 33.1 Any notice under the Scheme required to be given to or served upon the ESOS Committee by a Director, Employee, Participant or any correspondence to be made between a Director, Employee, Participant to the ESOS Committee shall be given or made in writing and sent to the registered office of SDCG or such other office which the ESOS Committee may have stipulated for a particular purpose of delivery by hand (with acknowledgement of receipt) or registered letter.
- 33.2 Unless otherwise provided in these By-Laws, any notice which under the Scheme is required to be given to or served upon a Director, Employee, Participant and correspondence to be made with a Director, Employee or Participant shall be deemed to be sufficiently given, served or made if it is given, served or made by hand or registered letter addressed to the Director, Employee or Participant at the place of employment or address known to SDCG as being his address. Any notice served by hand or post as aforesaid shall be deemed to have been received at the time when such notice if by hand is received and duly acknowledged or if by registered letter would in the ordinary course of post be delivered.
- 33.3 Any notice is sent by electronic media, including but not limited to electronic mail, to the Eligible Persons or the Participants, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Group.
- 33.4 Notwithstanding By-Law 33.2, where any notice is required to be given by SDCG or the ESOS Committee under these By-Laws in relation to matters which may affect all the Directors, Employees or Participants, as the case may be, SDCG or ESOS Committee may give notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee. Upon the making of such an announcement, the notice to be made under By-Law 33.2 shall be deemed to be sufficiently given, served or made to all affected Directors, Employees, or Participants, as the case may be.

34. SEVERABILITY

If at any time any provision of these By-Laws is or becomes illegal, void or unenforceable in any respect, the same shall be ineffective to the extent of such illegality, voidness or unenforceability without invalidating the remainder thereof, and any such illegality, voidness or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

35. DELAY OF PERFORMANCE

The performance of any obligations provided herein may be delayed, prohibited or become impossible by reason of events beyond the control of SDCG or the ESOS Committee.

36. DISCLAIMER OF LIABILITY

- 36.1 Notwithstanding any provisions contained herein and subject to the Companies Act, the ESOS Committee, SDCG, the Board (including Directors of SDCG who have resigned but were on the Board during the Scheme Period) shall not under any circumstances be liable for any cost, loss, expense and/or damage whatsoever incurred, arising and/or suffered by any Participant howsoever arising in the event of:-

APPENDIX I – DRAFT BY-LAWS (CONT'D)

- (a) any delay on the part of SDCG or ESOS Committee delay in allotting and issuing new SDCG Shares and/or applying for or procuring the listing of the new SDCG Shares on Bursa Securities in accordance with these By-Laws for any reason whatsoever;
 - (b) any delay in crediting the new SDCG Shares into the CDS Account as stated in the notice of exercise given by the Participant; and
 - (c) any other matter or dealing which is outside the control of the Company.
- 36.2 The Participant shall at all times indemnify and keep SDCG indemnified against all losses, damages, claims, proceedings, demands, actions, penalties and expenses whatsoever that may be made or brought against and/or suffered by SDCG at any time as a result of and/or in connection with or arising from any failure on the part of the Participant to perform and/or observe the terms and conditions and stipulations of the By-Laws as from and including the Effective Date or for any act or default under or for any breach of any provision of the By-Laws by the Participant or that may be incurred, suffered or sustained by SDCG as a result thereof and the Participant shall promptly upon a demand being made by SDCG pay to SDCG all amounts so paid incurred, suffered or sustained by SDCG.

37. DECISION OF THE ESOS COMMITTEE

Any decision and/or determination made by the ESOS Committee under these By-Laws shall, in the absence of any manifest of error, be final and binding.

38. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Participant, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Constitution of SDCG, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

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APPENDIX II – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT AND DECLARATION

2.1 Malacca Securities

Malacca Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

Malacca Securities confirms that there is no conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser to SDCG in relation to the Proposals.

3. MATERIAL COMMITMENTS

Save for the utilisation of proceeds in relation to the Group's IPO disclosed in Section 3 above, the Group confirms that there are no material commitments incurred or known to be incurred by the Group, within or outside Malaysia, which may have a material impact on the Group's financial position or business as at the LPD.

4. CONTINGENT LIABILITIES

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in the ability of the Group to meet its obligations as and when they fall due.

5. MATERIAL LITIGATIONS

As at LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any such proceedings which might materially and adversely affect the position or business of the Group:

Solar District Cooling Sdn Bhd ("**SDC**") v Sedafiat Sdn Bhd ("**Defendant**")

Pursuant to a letter of award dated 11 February 2019 ("**Letter of Award**"), SDC was appointed by the Defendant as the contractor for a project (namely, Implementation of Solar Hybrid Hot Water System by way of energy performance contract (EPC) for Keningau Hospital) which was awarded to the Defendant by the Ministry of Health Malaysia ("**MOH**").

SDC fulfilled its obligation under the Letter of Award and had handed over the project to the Defendant by the end of June 2019.

On 8 November 2022, SDC initiated a legal action against the Defendant 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.

APPENDIX II – FURTHER INFORMATION (CONT'D)

On 19 December 2022, the Defendant filed their defence and subsequently counter-claimed for a sum of RM72,895.69 for SDC's alleged non-compliance towards the energy savings guarantee as provided in SDC's earlier proposal, the Defendant 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 the Defendant is alleging that it is entitled to claim the additional sum of RM72,895.69 from SDC.

Subsequent to the trial dated 20 February 2025, 11 June 2025 and 12 June 2025, the Sessions Court has fixed the date for the decision on 31 March 2026.

SDC's appointed counsel is of the opinion that the case remains balanced and could be decided either in SDC's favour or otherwise, and that SDC's estimated exposure comprises of the Defendant's counterclaim of RM72,895.69 together with legal costs of approximately RM50,000.00 to RM90,000.00.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, during normal business hours (except for public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of SDCG;
- (ii) Unaudited quarterly report of SDCG for the FYE 31 December 2025;
- (iii) Audited consolidated financial statements of SDCG for the FYE 31 December 2023 and 31 December 2024;
- (iv) Letter of consent and conflict of interest referred to in Section 2 above;
- (v) Draft Deed Poll;
- (vi) Draft By-Laws;
- (vii) The relevant cause papers in respect of material litigation referred to in Section 5 above.

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SOLAR DISTRICT COOLING GROUP BERHAD

(Registration No. 202301015665 (1509587-U))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting (“**EGM**” or “**Meeting**”) of Solar District Cooling Group Berhad (“**SDCG**” or the “**Company**”) will be held at Monkeys Canopy, Lot 683, Jalan Persiaran Bukit Enggang Sg Long Hill, Sungai Long, 43200 Cheras, Selangor on Friday, 24 April 2026 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following ordinary resolutions with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF 211,911,230 WARRANTS (“WARRANTS”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN SOLAR DISTRICT COOLING GROUP BERHAD (“SDCG SHARE(S)” OR “SHARE(S)”) HELD BY THE ENTITLED SHAREHOLDERS OF SDCG ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED BONUS ISSUE OF WARRANTS”)

“**THAT** subject to the approvals of all relevant regulatory authorities or parties having being obtained, where required, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue and allot 211,911,230 Warrants in registered form and constituted by a deed poll to be executed by the Company constituting the Warrants (“**Deed Poll**”), by way of bonus issue on the basis of 1 Warrant for every 2 existing SDCG Shares held by the shareholders whose names appear on the record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd (“**Record of Depositors**”) of the Company as at the close of business on the entitlement date to be determined and announced later;

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants at a later date;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll on behalf of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and subject to all provisions and adjustments contained in the Deed Poll, to assent to any modifications and/or amendments to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll with full power to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as the Board deems fit and/or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and the aggregate of such fractions shall be dealt with in such manner as the Board shall in its absolute discretion deem fit or expedient and in the best interest of the Company;

THAT the new SDCG Shares to be issued from the exercise of Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SDCG Shares, save and except that the new SDCG Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, the entitlement date of which precedes the date of allotment and issuance of the new SDCG Shares;

THAT the proceeds raised from the exercise of the Warrants, if any, be utilised for the purposes set out in the circular to shareholders of the Company dated 4 March 2026 and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (when required) to the approval of the relevant authorities;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.”

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”) OF UP TO 10.0% OF THE TOTAL NUMBER OF ISSUED SHARES OF SDCG AT ANY POINT IN TIME DURING THE DURATION OF THE PROPOSED ESOS (“PROPOSED ESOS”)

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company to establish the ESOS involving up to 10.0% of the total number of issued shares of the Company from time to time for the benefit of eligible directors and employees of the SDCG Group (excluding dormant subsidiaries, if any) (“**Eligible Employees**”), and the Board be and is hereby authorised to:

- (i) Establish an ESOS committee to implement and administer the ESOS for the benefit of the Eligible Employees, in accordance with the by-laws governing the Proposed ESOS (“**By-Laws**”), a draft of which is set out in Appendix I of the Circular to shareholders dated 4 March 2026;
- (ii) Allot and issue from time to time such number of new SDCG Shares to the Eligible Employees as may be required to be issued pursuant to the exercise of options granted under the Proposed ESOS (“**ESOS Options**”), **PROVIDED THAT** the total number of new Shares to be issued under the Proposed ESOS shall not in aggregate exceed 10.0% of the total number of issued SDCG Shares at any point in time during the duration of the ESOS **AND THAT** the new SDCG Shares to be allotted and issued upon the exercise of any ESOS Options will, upon allotment and issuance, rank equally 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 any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new SDCG Shares;
- (iii) Do all things necessary and make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the new SDCG Shares which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- (iv) Modify, vary and/or amend the By-Laws from time to time as may be required/permitted by the authorities or deemed necessary by the authorities or the Board **PROVIDED THAT** such modifications, variations and/or amendments are effected in accordance with the provisions of the By-Laws relating to modifications, variations and/or amendments; and to do all such acts and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed ESOS and the terms of the By-Laws; and
- (v) Extend the duration of the ESOS, if the Board deems fit, for up to a maximum period of an additional five (5) years (“**Extension**”) upon the recommendation by the ESOS committee, **PROVIDED ALWAYS** that the initial ESOS period of five (5) years and such Extension made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities, and that the Board be and is hereby

authorised to implement the Extension and do all such acts and things and to execute all necessary documents to give full effect to and complete the Extension with full power to assent to or make any modifications, variations and/or amendments as may be required by the relevant authorities and to take all steps and actions as may be required by the relevant authorities and as the Board may deem necessary and/or expedient to finalise, implement and give full effect to and complete the Extension.

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute all such documents and enter into all such arrangements, agreements, deeds and/or undertakings with any parties as they may deem fit necessary, expedient and/or appropriate in order to finalise, implement and/or give full effect to the Proposed ESOS and terms of the By-Laws with full power to consent to and to adopt and implement such conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Board may deem fit or necessary or expedient in the best interest of the Company.

AND THAT the draft By-Laws, as set out in Appendix I of the Circular, be and is hereby approved and adopted.

ORDINARY RESOLUTIONS 3 TO 8

PROPOSED ALLOCATIONS OF ESOS OPTIONS UNDER THE PROPOSED ESOS

“THAT subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the ESOS, to offer and grant to the following persons, ESOS Options to subscribe for new Shares under the Proposed ESOS:

(i)	Ir. Dr. Khairul Azmy Bin Kamaluddin	Ordinary Resolution 3
(ii)	Kong Kam Onn	Ordinary Resolution 4
(iii)	Liuk Ing Hong	Ordinary Resolution 5
(iv)	YM Raja Nor Azlina Binti Raja Azhar	Ordinary Resolution 6
(v)	Wong Poh May	Ordinary Resolution 7
(vi)	Wong Keng Fai	Ordinary Resolution 8

Provided always that:

- (i) The abovementioned persons must not participate in the deliberation and/or discussion of their own respective allocation;
- (ii) Not more than 10.0% of the total ESOS Options and new SDCG Shares to be issued under the Proposed ESOS would be allocated to any one of the abovementioned persons and Eligible Employees who has been selected by the ESOS Committee, who, either singly or collectively through persons connected to them, holds 20.0% or more of the total number of issued shares (excluding treasury shares, if any) of the Company; and
- (iii) The allocation of ESOS Options to the abovementioned persons shall be subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements of Bursa Securities, or any prevailing guideline issued by Bursa Securities, as amended from time to time.

THAT at any one time during the duration of the ESOS, not more than 50.0% of the total number of ESOS Options available under the ESOS could be allocated, in aggregate to the eligible directors and/or senior management of the SDCG Group (excluding dormant subsidiaries, if any) pursuant to the Proposed ESOS.

AND THAT the Board is also authorised to issue and allot the corresponding number of new Shares arising from the exercise of the ESOS Options that may be granted to them under the Proposed ESOS.”

BY ORDER OF THE BOARD

LIM LI HEONG (MAICSA 7054716 /SSM PC NO.: 202008001981)
WONG MEE KIAT (MAICSA 7058813 /SSM PC NO.: 202008001958)
Company Secretaries

Kuala Lumpur
4 March 2026

Notes:

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the Meeting shall have the same rights as the members to speak at the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
6. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than 24 hours before the time appointed for holding the EGM or at any adjournment thereof:

(i) *In Hardcopy Form*

The Form of Proxy shall be lodged with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan; or

(ii) *By Electronic Means*

The Form of Proxy can be lodged electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com> no later than **Thursday, 23 April 2026 at 10.00 a.m.** Kindly refer to the Administrative Guide for the EGM on the procedure for electronic lodgement of the Form of Proxy.

7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 17 April 2026. Only members whose names appear in the General Meeting Record of Depositors as at 17 April 2026 shall be entitled to attend, participate, speak and vote at the Meeting.
8. Pursuant to Rule 8.31A(1) of the Listing Requirement, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.



SOLAR DISTRICT COOLING GROUP BERHAD

(Registration No. 202301015665 (1509587-U))
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING (“EGM”)

Day and Date : **Friday, 24 April 2026**
Time : **10.00 a.m.**
Venue : **Monkeys Canopy, Lot 683, Jalan Persiaran Bukit Enggang Sg Long Hill, Sungai Long, 43200 Cheras, Selangor**

REGISTRATION ON THE DAY OF THE EGM

1. The registration counter will open at 9.00 a.m. on Friday, 24 April 2026 and will remain open until the conclusion of the EGM or such time as may be determined by the Chairman of the meeting.
2. Please produce your ORIGINAL MyKad or Passport (for foreign shareholder) during registration for verification. Only original MyKad or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original MyKad or Passport of that other shareholder/proxy. Please make sure you collect your MyKad or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.
5. After registration and signing on the Attendance List, please vacate the registration area.
6. The registration counter will only handle verification of shareholdings and registration. For other clarification or queries, you may proceed to the Help Desk.

HELP DESK

The Help Desk will handle all clarification and queries on matters relating to the EGM. The Help Desk will also handle revocation of proxy's appointment.

CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of proxy, must deposit their original or duly certified of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn Bhd on or before the EGM.

APPOINTMENT OF PROXY OR ATTORNEY

1. Only members whose names appear on the Record of Depositors as at 17 April 2026 shall be eligible to attend, speak and vote at the EGM or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. Members can appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the proxy form.

3. If you wish to participate in the EGM yourself, please do not submit any proxy form for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.
4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than 24 hours before the time set for the EGM or not later than **Thursday, 23 April 2026 at 10.00 a.m.:**

(i) In Hard copy form:

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Company's Share Registrar at Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By Electronic form:

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "SOLAR DISTRICT COOLING GROUP BERHAD EGM 2026". 3. Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "SOLAR DISTRICT COOLING GROUP BERHAD EGM 2026". 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

VOTING AT MEETING

1. The voting at the EGM will be conducted by poll in accordance with Paragraph 8.31A of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct poll voting electronically (e-voting) via The Portal and Independent Scrutineers will be appointed to verify the results of the poll.
2. Upon completion of the voting session for the EGM, the Independent Scrutineers will verify the poll results for the announcement by the Chairman, followed by the Chairman's declaration whether the resolutions are carried.

RESULTS OF THE VOTING

The resolutions proposed at the EGM and the results of the voting will be announced at the EGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without prior written permission of the Company.

NO SMOKING POLICY

A no smoking policy is maintained in the Meeting Hall. Your co-operation is much appreciated.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays).

Tricor Investor & Issuing House Services Sdn. Bhd.		
Telephone Number	General Line	603-2783 9299
Email	is.enquiry@vistra.com	

The Company may at its discretion make any changes to the above arrangements in the event of unforeseen circumstances.



SOLAR DISTRICT COOING GROUP BERHAD

(Registration No. 202301015665 (1509587-U))
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	CDS Account no.
Telephone no.	Email address

*I/We _____ NRIC/Passport no./Registration no. _____
(full name in block)

of _____
(address)

being a *member/members of SOLAR DISTRICT COOLING GROUP BERHAD ("Company"), hereby appoint:

(1) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____

Email address : _____ Telephone no. : _____

(2) Name of proxy : _____ NRIC/Passport no. : _____
Address : _____

Email address : _____ Telephone no. : _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM" or "Meeting") of the Company will be held at Monkeys Canopy, Lot 683, Jalan Persiaran Bukit Enggang Sg Long Hill, Sungai Long, 43200 Cheras, Selangor on Friday, 24 April 2026 at 10.00 a.m., or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

No.	Ordinary Resolution	For	Against
1.	Proposed Bonus Issue of Warrants		
2.	Proposed ESOS		
3.	Proposed allocation of ESOS Options to Ir. Dr. Khairul Azmy Bin Kamaluddin		
4.	Proposed allocation of ESOS Options to Kong Kam Onn		
5.	Proposed allocation of ESOS Options to Liuk Ing Hong		
6.	Proposed allocation of ESOS Options to YM Raja Nor Azlina Binti Raja Azhar		
7.	Proposed allocation of ESOS Options to Wong Poh May		
8.	Proposed allocation of ESOS Options to Wong Keng Fai		

Dated this ____ day of _____ 2026

For the appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100

Signature/Common Seal of Member

* Strike out whichever is not applicable

Notes:-

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the Meeting shall have the same rights as the members to speak at the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
6. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than 24 hours before the time appointed for holding the EGM or at any adjournment thereof:

(iii) In Hardcopy Form

The Form of Proxy shall be lodged with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan; or

(iv) By Electronic Means

The Form of Proxy can be lodged electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com> no later than **Thursday, 23 April 2026 at 10.00 a.m.** Kindly refer to the Administrative Guide for the EGM on the procedure for electronic lodgement of the Form of Proxy.

7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 17 April 2026. Only members whose names appear in the General Meeting Record of Depositors as at 17 April 2026 shall be entitled to attend, participate, speak and vote at the Meeting.
8. Pursuant to Rule 8.31A(1) of the Listing Requirement, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
SOLAR DISTRCT COOLING GROUP BERHAD
(Registration No. 202301015665 (1509587-U))

c/o **Tricor Investor & Issuing House Sdn. Bhd.**
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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