SOLAR DISTRICT COOLING GROUP BERHAD

Registration No. 202301015665 (1509587-U)

(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2026

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The First Quarter Ended 31 March 2026[1]

		Individual Quarter		Cumulative Quarter	
	Note	Unaudited Current year quarter	Unaudited Preceding year quarter	Unaudited Current year-to-date	Unaudited Preceding year-to-date
		31/3/2026	31/3/2025	31/3/2026	31/3/2025
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	7,219	4,774	7,219	4,774
Cost of sales		(5,280)	(2,423)	(5,280)	(2,423)
Gross profit		1,939	2,351	1,939	2,351
Other income		273	499	273	499
Administrative expenses		(2,525)	(1,678)	(2,525)	(1,678)
Other expenses		(166)	(159)	(166)	(159)
Net loss on impairment financial instruments		-	(147)	-	(147)
Result from operating activities		(479)	866	(479)	866
Finance costs		(2)	(3)	(2)	(3)
(Loss)/Profit before taxation	B13	(481)	863	(481)	863
Income tax expense	B5	(1)	(186)	(1)	(186)
(Loss)/Profit for the year, representing total comprehensive income for the financial period		(482)	677	(482)	677
(Loss)/Profit and total comprehensive income attributable to:					
Owners of the Group		(482)	677	(482)	677
(Loss)/Earnings per share attributable to owners of the Group:					
- Basic (sen)	B12	(0.11)	0.16	(0.11)	0.16
- Diluted (sen)	B12	(0.11)	0.16	(0.11)	0.16

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2026[(1)]

	Note	Unaudited As at 31/3/2026 RM'000	Audited As at 31/12/2025 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		4,674	4,683
Intangible asset		6	6
Deferred tax assets		438	438
		5,118	5,127
Current Assets			
Inventories		2,071	2,201
Trade receivables		11,278	7,791
Other receivables, deposits and prepayments		4,171	1,290
Contract assets		3,271	9,522
Current tax asset		925	673
Other investments		4,770	4,745
Cash and cash equivalents		35,607	35,097
		62,093	61,319
TOTAL ASSETS		**67,211**	**66,446**
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Group			
Share capital		58,294	58,294
Reorganisation deficit		(14,258)	(14,258)
Retained earnings		17,838	18,320
TOTAL EQUITY		61,874	62,356
LIABILITIES			
Non-Current Liabilities			
Loans and borrowings	**B8**	84	84
		84	84
Current Liabilities			
Trade payables		3,974	2,997
Other payables and accruals		1,232	917
Loans and borrowings	**B8**	44	61
Current tax liabilities		3	31
		5,253	4,006
TOTAL LIABILITIES		5,337	4,090
TOTAL EQUITY AND LIABILITIES		**67,211**	**66,446**
Net assets per share (RM)[(2)]		0.15	0.15

Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The First Quarter Ended 31 March 2026[(1)]

	Share capital	Reorganisation Deficit	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2026 (Audited)	58,294	(14,258)	18,320	62,356
Profit and total comprehensive income for the financial year	-	-	(482)	(482)
As at 31 March 2026 (Unaudited)	58,294	(14,258)	17,838	61,874
As as at 1 January 2024 (Audited)	58,294	(14,258)	18,651	62,687
Profit and total comprehensive income for the financial year	-	-	677	677
Balance as at 31 March 2025 (Unaudited)	-	(14,258)	19,328	63,364

Note:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2026[(1)]

	Unaudited Current year-to-date 31/3/2026 RM'000	Unaudited Preceding year-to-date 31/3/2025 RM'000
Cash Flow From Operating Activities		
(Loss)/Profit before taxation	(481)	863
Adjustments for:-		
Depreciation of property, plant and equipment	140	616
Amortisation of intangible asset	*	*
Dividend income from investment in equity and money market funds	(213)	(282)
Fair value gain on investment in equity fund	(26)	-
Loss on disposal of fixed assets	-	*
Impairment losses on trade receivables	-	147
Unrealised loss on foreign exchange	27	77
Interest income	(5)	(2)
Interest expenses	2	3
Operating (loss)/profit before changes in working capital	(556)	1,422
Changes in working capital:-		
Decrease in inventories	130	539
(Increase)/Decrease in trade and other receivables	(6,363)	1,009
Increase/(Decrease) in trade and other payables	1,290	(1,155)
Increase /(Decrease)in contract balances	6,251	(115)
	1,308	278
Cash generated from operations	752	1,700
Income tax paid	(281)	(638)
Net cash from operating activities	471	1,062
Cash Flow For Investing Activities		
Acquisition of property, plant and equipment	(131)	(310)
Dividends received	213	282
Placement of fixed deposit with tenure more than 3 months	-	*
Interest received	1	1
Net cash generated from/(used in) investing activities	83	(27)
Cash Flow For Financing Activities		
Repayment of term loan	(1)	(1)
Repayment of hire purchase payables	(16)	(16)
Interest paid	(2)	(3)
Net cash used in financing activities	(19)	(20)
Net increase in cash & cash equivalents	535	1,015
Effects of foreign exchange translation	(25)	(77)
Cash & cash equivalents at the beginning of the financial period	35,097	47,630
Cash & cash equivalents at the end of the financial period	35,607	48,568

Cash and cash equivalents at the end of the financial period comprises:-

Cash and bank balances	1,301	7,862
Short-term deposits placed with licensed banks	24	25
Investment in money market funds	34,282	40,681
	35,607	48,568

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2026[(1)]

Notes:

(1) The basis of the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(*) Amount represents value less than RM500.

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NOTES TO THE INTERIM FINANCIAL REPORT

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

A1 Basis of Preparation

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

The interim financial report should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

A2 Material Accounting Policies

The material accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Audited Financial Statements of the Group for the financial year ended 31 December 2025 except for the following amendments to MFRS Accounting Standards that have been issued by the MASB.

Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instrument
Amendments to MFRS 9 and MFRS 7 Contracts Referencing Nature-dependent Electricity
Annual Improvements to MFRS Accounting Standards – Volume 11

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

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

A3 Auditors' Report of The Preceding Financial Year Ended 31 December 2025

There was no qualification on the audited financial statements of the Group and its subsidiaries for the financial year ended 31 December 2025.

A4 Seasonal or Cyclical Factors

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

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

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

A6 Material Changes in Estimates

There were no material changes in estimates in the current financial quarter under review and year-to-date.

A7 Debts and Equity Securities

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

A8 Dividend Paid

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

A9 Segmental Information

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

	Individual 1st Quarter		Cumulative 1st Quarter	
	Unaudited Current year quarter 31/3/2026 RM'000	Unaudited Preceding year quarter 31/03/2025 RM'000	Unaudited Current year-to-date 31/3/2026 RM'000	Unaudited Preceding year-to-date 31/3/2025 RM'000
Revenue by business segments				
Building management systems ("BMS")	2,967	3,739	2,967	3,739
Solar thermal systems and energy saving services	85	969	85	969
Maintenance of other systems and equipment	4,167	66	4,167	66
Total	**7,219**	**4,774**	**7,219**	**4,774**
Revenue by geographical locations				
Malaysia	7,219	4,774	7,219	4,774
Total	**7,219**	**4,774**	**7,219**	**4,774**

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

A10 Valuation of Property, Plant and Equipment

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

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

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

A12 Changes in the Composition of the Group

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

A13 Contingent Assets and Contingent Liabilities

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

	Unaudited As at 31/3/2026 RM'000	Audited As at 31/12/2025 RM'000
Secured:		
Bank guarantees extended to third parties	358	358

A14 Material Capital Commitments

	Unaudited As at 31/3/2026 RM'000	Audited As at 31/12/2025 RM'000
Approved and contracted for:		
- Construction of new shop office in Kajang, Selangor	59	59
Approved but not contracted for:		
- Construction of new shop office in Kajang, Selangor	1,783	1,783
- Purchase new tools and equipment for our BMS and solar thermal systems and energy saving services	1,175	1,175
- Purchase ICT software and services to improve our business operations	173	173
	3,190	3,190

A15 Material Related Party Transaction

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

A16 Fair value of financial instruments

As at 31 March 2026, the Group has a financial asset instrument carried at fair value for the money market fund and equity fund by reference to the statements provided by respective financial institution for the current financial quarter under review and year-to-date.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

B1 Review of Performance

	Individual 1st Quarter		Cumulative 1st Quarter	
	Unaudited Current year quarter 31/3/2026 RM'000	Unaudited Preceding year quarter 31/3/2025 RM'000	Unaudited Current year-to-date 31/3/2026 RM'000	Unaudited Preceding year-to-date 31/3/2025 RM'000
Revenue	7,219	4,774	7,219	4,774
Gross Profit	1,939	2,351	1,939	2,351
Gross Profit margin (%)	26.86	49.25	26.86	49.25
(Loss)/Profit before taxation	(481)	863	(481)	863
(Loss)/Profit after taxation	(482)	677	(482)	677
(Loss)/Profit attributable to owners of the Group	(482)	677	(482)	677

The Group's revenue increased by RM2.45 million or 51.2% to RM7.22 million for the current financial quarter ("Q1 FY26") and year-to-date ("3M FY26") as compared to RM4.77 million recorded in the corresponding quarter ("Q1 FY25") and year-to-date ("3M FY25"). The increase was mainly driven by stronger revenue contribution from the maintenance of other systems and equipment segment, which increased by RM4.10 million to RM4.17 million (Q1 FY25 & 3M FY25: RM0.07 million), primarily attributable to the commencement and progressive revenue recognition of Variable Refrigerant Flow ("VRF") project.

Nevertheless, the increase was partially offset by a decline in revenue from the Building Management System ("BMS") segment by RM0.77 million to RM2.97 million (Q1 FY25 & 3M FY25: RM3.74 million), mainly due to lower revenue recognised from existing project sites that are nearing completion, including the Ministry of Energy Transition and Water Transformation project. In addition, revenue contribution from the solar thermal systems and energy saving services ("Solar") segment decreased by RM0.88 million to RM0.09 million (Q1 FY25 & 3M FY25: RM0.97 million) following the completion of the energy performance contracts in March 2025.

The Group recorded a decrease in gross profit of RM0.41 million to RM1.94 million (Q1 FY25 & 3M FY25: RM2.35 million), while gross profit margin ("GP margin") declined to 26.86% from 49.25% recorded in Q1 FY25 and 3M FY25. The decline was mainly attributable to lower gross profit contribution from VRF project despite their significant revenue contribution, coupled with reduced revenue contribution from the BMS and Solar segments. The lower GP margin was primarily due to the lower-margin nature of VRF project, as well as higher BMS project costs mainly due to increased material prices arising from the adverse impact of the Middle East conflict.

For Q1 FY26 and 3M FY26, the Group recorded a loss before tax and loss after tax of RM0.48 million, as compared to a profit before tax of RM0.86 million and profit after tax of RM0.68 million recorded in Q1 FY25 and 3M FY25. The decline was mainly attributable to lower gross profit, higher staff costs arising from workforce expansion during the second half of FY2025, as well as professional fees incurred in relation to the Proposed Bonus Issue of Warrants and Proposed Employees' Share Option Scheme.

B2 Comparison with Immediate Preceding Quarter's result

	Individual Quarter			
	Current quarter 31/3/2026 RM'000	Immediate preceding quarter 31/12/2025 RM'000	Changes RM'000	Changes %
Revenue	7,219	9,643	(2,424)	(25.14)
Gross Profit	1,939	4,280	(2,341)	(54.70)
Gross Profit margin (%)	26.86	44.38	(17.52)	(39.48)
(Loss)/Profit before taxation	(481)	2,681	(3,162)	(117.94)
(Loss)/Profit after taxation	(482)	2,113	(2,595)	(122.81)
(Loss)/Profit attributable to owners of the Group	(482)	2,113	(2,595)	(122.81)

The Group's revenue for the current quarter decreased by RM2.42 million or 25.14% to RM7.22 million as compared with the immediate preceding quarter ("Q4 FY25") of RM9.64 million. The decrease in revenue was mainly attributable to lower revenue recognised from existing BMS projects nearing completion. The progressive installation work for these projects, including government-related projects and the Ampang Office Tower, had been substantially recognised in the preceding quarter (Q4 FY25), resulting in minimal revenue recognition carried forward into the current quarter.

The Group's gross profit for the current quarter decreased by RM2.34 million to RM1.94 million as compared to RM4.28 million in Q4 FY25, while the Group's GP margin declined to 26.86% from 44.38% in Q4 FY25. The lower gross profit was mainly attributable to the lower revenue contribution from the BMS segment and the VRF project. Meanwhile, the decline in GP margin was mainly due to the lower GP margin of the VRF project as well as the higher BMS project costs.

The Group registered a loss before tax and loss after tax of RM0.48 million for the current quarter, representing a decrease of RM3.16 million as compared to the profit before tax of RM2.68 million and profit after tax of RM2.11 million in Q4 FY25. The decline was mainly attributable to lower gross profit, coupled with higher administrative expenses arising from increased staff costs and staff welfare expenses. In addition, Q4 FY25 included a reversal of provision for expected credit losses of RM0.21 million, which further contributed to the variance.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

B3 Prospects of the Group

The Group was listed on the ACE Market of Bursa Securities on 19 September 2024. The Group operates in a highly favourable macro environment underpinned by Malaysia's National Energy Transition Roadmap ("NETR") and the Energy Efficiency and Conservation Act ("EECA"), which came into force on 1 January 2025 — both of which directly stimulate demand for the Group's core businesses in building management systems ("BMS"), solar thermal and energy saving services, and solar photovoltaic ("PV") systems. Our business strategies and plans, intended to be implemented from 2024 to 2027, are as follows:

(i) **Expand Group's Headquarters**

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

(ii) **Enhancing the Group's Operational Capabilities**

Our strategic partnership with Solarvest Holdings Berhad enables us to leverage our specialised BMS expertise alongside broader and more comprehensive green energy solutions, particularly in renewable solar energy generation. This partnership creates a mutually beneficial collaboration for the Group with access to a wider regional project pipeline and cross-selling opportunities for integrated BMS and clean energy solutions. The IPO proceeds are expected to be utilised to strengthen our capabilities in BMS systems integration, while supporting the delivery of integrated energy solutions under this strategic collaboration.

In line with the Group's digitalisation initiatives, we aim to continuously enhance our BMS, solar thermal and hybrid hot water systems through the integration of IoT and cloud-based capabilities, enabling clients to monitor energy consumption and carbon footprint more accurately through real-time energy-saving analytics. Malaysia's emergence as a leading digital hub in Southeast Asia is being driven by growing AI-led demand and supported by national initiatives such as MyDIGITAL (Malaysia Digital Economy Blueprint) and the New Industrial Master Plan 2030 ("NIMP 2030"), which are expected to accelerate urbanisation, adoption of smart building technologies, and the expansion of data centres across Malaysia and the region. As a result, the Group is well-positioned to capitalise on this structural growth trend.

In addition, part of the proceeds will be utilised to support the execution of our significant contract worth over RM17 million for the supply and installation of a Variable Refrigerant Flow ("VRF") system, which is expected to be substantially completed within FY2026.

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

The global and domestic trend towards energy efficiency continues to accelerate. We have positioned ourselves as an early mover in Solar Thermal and Energy Efficiency ("EE") financing solutions. As part of our business strategy, we have commenced the solar PV systems business under the power purchase agreement ("PPA") model by undertaking the whole or partial upfront capital investment to design, supply, install and commission solar PV systems at customers' premises, with recurring revenue generated over the 21-year PPA contract period. During the current financial quarter, we completed several solar PV system installations and commenced the generation and supply of electricity to customers.

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

B4 Profit Forecast, Profit Guarantee and Internal Targets

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

B5 Taxation

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited Current year quarter 31/3/2026	**Unaudited Preceding year quarter 31/3/2025**	**Unaudited Current year-to-date 31/3/2026**	**Unaudited Preceding year-to-date 31/3/2025**
Current tax expense (RM'000)	1	186	1	186
Effective tax rate (%)[1]	(0.21)	21.55	(0.21)	21.55
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Note:

(1) The Group's effective tax rate for current financial quarter and year-to-date was a tax credit of 0.21% which was lower than the statutory tax rate mainly attributable to the loss before taxation and the recognition of non-taxable interest income.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

B6 Status of Corporate Proposal

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

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

The Proposals had been approved by Bursa Securities on 13 February 2026 and obtained approval from shareholders of the Company at the extraordinary general meeting on 24 April 2026. The Proposed ESOS has been implemented on 21 May 2026.

Saved for the above, there are no other corporate proposals announced but pending completion as at the date of this report.

B7 Utilisation of Proceeds Raised from Public Issue

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

Details of utilisation[1]		Proposed Utilisation RM'000	Percentage of Utilisation %	Actual Utilsation RM'000	Balance to be Utilised RM'000	Estimated timeframe for utilisation upon listing
(a)	Expansion of our Headquarters	1,900	4.21	58	1,842	Within 24 Months
(b)	Tender bonds and/or performance bonds for future projects	5,000	11.09	3,365	1,635	Within 24 Months
(c)	Purchase of materials for BMS segment and solar thermal systems and energy saving services segment	18,700	41.47	10,414	8,286	Within 36 Months
(d)	General working capital	12,673	28.10	12,673	-	Within 36 Months
(e)	Capital expenditure	2,522	5.59	1,174	1,348	Within 36 Months
(f)	Estimated IPO expenses	4,300	9.54	4,300	-	Within 3 Months
Total		**45,095**	**100.00**	**31,984**	**13,111**	

Note:

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

B8 Group Loans and Borrowings

	Unaudited As at 31/3/2026 RM'000	Audited As at 31/12/2025 RM'000
Non-current		
Secured and guaranteed		
Terms loan	84	84
Hire purchase payables	-	-
	84	**84**
Current		
Secured and guaranteed		
Terms loan	2	3
Hire purchase payables	42	58
	44	**61**
	128	**145**

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

B9 Derivative Financial Instruments

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

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

B10 Material Litigations

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

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

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

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

On 31 March 2026, the Court had delivered its decision allowing SDC's Main Claim for the judgement sum of RM500,466 and dismissing Sedafiat's counterclaim. However, Sedafiat has filed an appeal on 10 April 2026 against the Court's decision.

B11 Dividends proposed

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

B12 (Loss)/Earnings Per Share ("LPS/EPS")

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

	Individual 1st Quarter		**Cumulative 1st Quarter**	
	Unaudited Current year quarter 31/3/2026	**Unaudited Preceding year quarter 31/3/2025**	**Unaudited Current year-to-date 31/3/2026**	**Unaudited Preceding year-to-date 31/03/2025**
(Loss)/Profit attributable to owners of the Group (RM'000)	(482)	677	(482)	677
Weighted average number of ordinary Shares in issue ('000)	423,822	423,822	423,822	423,822
Basic/Diluted LPS/EPS (sen)[(1)(2)]	(0.11)	0.16	(0.11)	0.16

Notes:

(1) Basic LPS/EPS is calculated based on the (loss)/profits attributable to owners of the Group divided by the Group's weighted average number of ordinary shares for the current financial quarter under review and year-to-date divided by the Group's number of ordinary shares issued upon completion of acquisition of SDC but before IPO for the preceding quarter under review and year-to-date.

(2) The diluted EPS/LPS is equivalent to the basic LPS/EPS as the Group does not have any dilutive instruments as at the end of the current financial quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

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

B13 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Individual 3rd Quarter		Cumulative 3rd Quarter	
	Unaudited Current year quarter 31/3/2026 RM'000	**Unaudited Preceding year quarter 31/3/2025 RM'000**	**Unaudited Current year-to-date 31/3/2026 RM'000**	**Unaudited Preceding year-to-date 31/3/2025 RM'000**
(Loss)/Profit before taxation is arrived at after charging/(crediting):				
Impairment of losses on trade receivables	-	147	-	147
Depreciation of property, plant and equipment	140	616	140	616
Amortisation of intangible asset	*	*	*	*
Interest expenses	2	3	2	3
Interest income	(5)	(2)	(5)	(2)
(Gain)/Loss on foreign exchange				
- realised	(21)	(17)	(21)	(17)
- unrealised	27	77	27	77
Loss on disposal of fixed assets	-	*	-	*
Dividend income from investment in equity and money market funds	(213)	(282)	(213)	(282)
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- investment in equity fund	(26)	-	(26)	-
- investment in money market fund	(8)	(199)	(8)	(199)

Note:

(*) Amount represents value less than RM500.

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

B14 Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors of the Group in accordance with a resolution passed by the Board of Directors on 22 May 2026.

BY ORDER OF THE BOARD OF DIRECTORS OF SOLAR DISTRICT COOLING GROUP BERHAD
22 MAY 2026

- END OF REPORT-