SOLAR DISTRICT COOLING GROUP BERHAD ("SDCG" OR "THE COMPANY")
ACCEPTANCE OF LETTER OF AWARD BY SOLAR DISTRICT COOLING SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF SDCG, FOR A CONTRACT SUM OF RM18.5 MILLION ON UPGRADING THE EXISTING BUILDING MANAGEMENT SYSTEM (BMS) AT RAILWAY TRANSIT STATIONS AND ITS ANCILLARY BUILDINGS

1. INTRODUCTION

The Board of Directors of SDCG wishes to announce that its wholly-owned subsidiary, Solar District Cooling Sdn. Bhd. [Registration No.: 200301004597 (607017-T)] ("Contractor") had on 15 July 2026 accepted a Letter of Award ("LOA") to upgrade the existing Building Management System ("BMS") for railway transit stations and its ancillary buildings located around Klang Valley ("Contract").

2. SALIENT TERMS OF THE CONTRACT

2.1 NAME OF THE AWARDER FOR THE CONTRACT

The awarder is a major facility management player in the industry.

2.2 CONTRACT SUM

The Contract sum is RM18,500,000.00 (Ringgit Malaysia: Eighteen Million Five Hundred Thousand) only.

2.3 NATURE AND SCOPE OF THE CONTRACT

The nature of the Contract comprises the design, assessment, supply, installation, testing, commissioning, and migration of the BMS upgrade (Stage 2) for the railway stations line, ensuring full compatibility with the existing Stage 1 design and seamless integration with critical building services including Environmental Control System, Fire Protection, and Power Systems.

2.4 CONTRACT PERIOD

The Contract is for a period of twenty four (24) months commencing from 15 July 2026 to 15 July 2028.

2.5 TERMINATION

2.5.1 Termination with Notice

If the Contractor:

(a) fails to commence the works within the timeline stated in LOA;

(b) abandons the works or any part thereof before the date for practical completion;

(c) fails to proceed regularly and diligently with the performance of its obligations under the Contract;

(d) fails to execute the works in accordance with the Contract;

(e) persistently neglects to carry out its obligations under the Contract;

(f) refuses or persistently neglects to comply with notices from the employer. Whether in relation to any Defective works or requirements of the Contract or Applicable Laws;

(g) breaches any of its representations, warranties or undertaking given under the Contract;

(h) fails to comply with the provisions relating to performance bond; or

(i) commits any illegal or unlawful activities;

then the employer may issue a written notice specifying the default. If the Contractor fails to remedy the default within fourteen (14) calendar days, the employer may forthwith terminate the Contractor’s employment.

2.5.2 Immediate Termination

In the event:

(a) the Contractor commits an event of insolvency;

(b) the overall progress of the works that is on the critical path is delayed by a period stipulated in Schedule 1 of the LOA and for which Contractor is not entitled to any extension of time under the Contract;

(c) the Contractor is in breach of Clause 45 (Anti-Bribery Representation, Warranty and Covenant) relating to anti-bribery or its personnel or affiliated companies commit the offences set out in Clause 45 (Anti-Bribery Representation, Warranty and Covenant) stipulated in the LOA;

(d) the Contractor has incurred and is liable for delay damages up to the total aggregate delay damages set out in Schedule 1of the LOA; or

(e) any of the information or declaration given by the Contractor during the term of the Contract is untrue, inaccurate, incomplete or otherwise misleading;

then the employer shall have the right to terminate the Contractor's employment under the Contract forthwith by giving notice to that effect.

2.6 SOURCE OF FUNDS

The Company will utilise the proceeds from the IPO funds, trade facilities and internal generated funds for the purchase of materials and the installation works of the Contract.

3. FINANCIAL EFFECTS

Barring any unforeseen circumstances, the Contract is expected to contribute positively to the earnings and net assets per share of the Company for the financial year ending 31 December 2026 and onwards until the completion of the Contract.

The Contract is not expected to have any material impact on Company's gearing for the financial year ending 31 December 2026.

4. THE RISKS IN RELATION TO THE CONTRACT

The Company does not expect any material risk arising from the Contract other than normal operational risk associated with the Contract which the Group would take appropriate measures to minimise them.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors or substantial shareholders or any person connected to the Directors or substantial shareholders of SDCG has any interest, either direct or indirect in the above Contract.

6. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of SDCG is of the opinion that the execution of the Contract is in the ordinary course of business and is in the best interest of the Company.

7. APPROVAL REQUIRED

The Contract is entered into in the ordinary course of business of SDCG and does not require approval of the company's shareholders and/or any regulatory authorities.

The announcement is dated 15 July 2026.