

MEMORANDUM OF UNDERSTANDING ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - MEMORANDUM OF UNDERSTANDING BETWEEN ADVANCECON SOLAR SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND OON CORP RESOURCES (M) SDN BHD

ADVANCECON HOLDINGS BERHAD

Type	Announcement
Subject	MEMORANDUM OF UNDERSTANDING
Description	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - MEMORANDUM OF UNDERSTANDING BETWEEN ADVANCECON SOLAR SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND OON CORP RESOURCES (M) SDN BHD

1. Introduction

The Board of Directors of Advancecon Holdings Berhad ("Advancecon" or "the Company") wishes to announce that Advancecon Solar Sdn Bhd ("Adv Solar"), a wholly-owned subsidiary of the Company had on 18 February 2020 entered into a Memorandum of Understanding ("MOU") with Oon Corp Resources (M) Sdn Bhd ("OCR") to develop rooftop solar panel under the net energy metering ("NEM") scheme on the roof top of OCR's two premises located in Senawang Industrial Estate, in the State of Seremban ("OCR's Premises") ("the Project") with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("SARE").

OCR and Adv Solar shall hereinafter be collectively referred to as the "Parties" and individually as the "Party".

2. Information on OCR

OCR is a company incorporated in Malaysia and having its business addresses at:

- (i) Lot 59, Lorong Senawang 3/2, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan; and
- (ii) Lot 10, Lorong Bunga Tanjung 1/1, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan.

3. Salient Terms of MOU

The provisions of the MOU include the following:

- a) Adv Solar shall fulfil the role of engineering, procurement and construction of a 586.08kWp solar photovoltaic system that will be installed on OCR's Premises;

- b) Adv Solar shall invest and own the solar photovoltaic system throughout the terms of the SARE agreement;
- c) Adv Solar shall fulfil the role of operations and maintenance of the solar photovoltaic system throughout the terms of the SARE agreement;
- d) OCR shall give consent and allow Adv Solar to install the solar photovoltaic system on OCR's Premises during the terms of the SARE agreement period; and
- e) Ownership, operations and maintenance of the solar photovoltaic system shall be transferred to OCR after the expiration of the terms of the SARE agreement.

4. Termination

This MOU shall be effective from the date hereof and shall be terminated on the following events:

- a) the execution of the SARE; or
- b) either party mutually agreeing in writing to terminate this MOU by giving fourteen (14) days' notice to the other; or
- c) for whatsoever reasons, the Parties cannot reach a consensus on the terms of the SARE.

5. Financial Effects

The MOU is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of the Company.

In the event the MOU results in definitive agreement between Adv Solar and OCR on the Project, the implementation thereof is expected to have a positive impact to the future earnings of Advancecon Group.

6. Directors' and/or Substantial Shareholders' Interest

None of the Directors' and substantial shareholders of Advancecon and/or persons connected to them have any interest, direct or indirect, in the MOU.

7. Statement by Directors

The Board of Directors of Advancecon, having considered all aspects of the MOU is of the opinion that the MOU is in the best interest of Advancecon Group

8. Approval Required

The MOU does not require the approval of shareholders of the Company and any relevant government authorities.

This announcement is dated 18 February 2020.

Announcement Info

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