

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 SOLARVEST ENERGY 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 SOLARVEST ENERGY 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 Solarvest Energy Sdn Bhd ("Solarvest") to jointly co-operate for the purposes of undertaking solar renewable energy projects in Malaysia, under the Commercial and Industrial (C&I) category ("the Projects").

(Adv Solar and Solarvest, shall hereinafter referred to collectively as "Parties" and individually as "Party", where the context so requires).

2. Information on Adv Solar and Solarvest

Adv Solar was incorporated in Malaysia as a private company limited by shares and is a wholly-owned subsidiary of the Company. Adv Solar is principally a solar photovoltaic investor registered under Sustainable Energy Development Authority (SEDA) for solar renewable energy projects.

Solarvest was incorporated in Malaysia as a private company limited by shares and it is a wholly-owned subsidiary of Atlantic Blue Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Solarvest Holdings Berhad. Solarvest is principally involved in the provision of Engineering, Procurement, Construction and Commissioning ("EPCC") services for solar photovoltaics

system.

3. Salient Terms of MOU

The MOU expressed the intention of the Parties to jointly co-operate for the purposes of the Projects wherein Adv Solar is desirous to engage Solarvest as the exclusive contractor for the EPCC works for the Projects ("EPCC Contractor") and Solarvest is willing to act as the EPCC Contractor for the Projects.

The provisions of the MOU include the following:

- a) Both Parties agree to use their best endeavour to assist and co-operate with each other towards successful implementation and execution of the Projects, including participating in bidding for the Projects (if necessary);
- b) The Parties' detailed scope of work and responsibilities shall be further defined in a separate definitive agreement for each of the Projects to be executed by the Parties;
- c) Both Parties shall utilise their resources and experiences to establish Joint Venture (if necessary), for each of the Project(s) to be undertaken by the Parties; and
- d) The Parties agree to be responsible for and shall bear its own costs and expenses of any kind committed or incurred in the performance of this MOU to the date of termination hereof.

This MOU shall enter into force from the date of signing by the Parties and shall be valid until the date the Parties agree to mutually terminate this MOU in writing.

4. 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 Solarvest on the Projects, the implementation thereof is expected to have a positive impact to the future earnings of Advancecon Group.

5. 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.

6. 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.

7. 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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