

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 YHI MANUFACTURING (MALAYSIA) 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 YHI MANUFACTURING (MALAYSIA) 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 29 June 2020 entered into a Memorandum of Understanding ("MOU") with YHI Manufacturing (Malaysia) Sdn Bhd (Registration No. 200401026362 (664870-X))("YHI") to develop rooftop solar photovoltaic system under the Net Energy Metering ("NEM") scheme on the rooftop of YHI's premises located in Kawasan Perindustrian Bukit Rambai, in the state of Malacca ("YHI's Premises") ("the Project") with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("SARE") between YHI and Adv Solar with Tenaga Nasional Berhad ("TNB").

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

2. Information on YHI

YHI is a company incorporated in Malaysia and having its business address at 3533, Jalan P.B.R 28, Kawasan Perindustrian Bukit Rambai, 75250 Melaka.

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 2,663.28kWp solar photovoltaic system that will be installed on YHI'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) YHI shall give consent and allow Adv Solar to install the solar photovoltaic system on YHI's Premises during the terms of the SARE agreement period;

e) Ownership, operations and maintenance of the solar photovoltaic system shall be transferred to YHI 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 YHI 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/or substantial shareholders and/or any person connected to them has any interest, either direct or indirect in the MOU.

7. Directors' Statement

The Board of Directors of the Company is of the opinion that MOU will have a positive impact on the business of Adv Solar and is in the best interest of the 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 29 June 2020.

Announcement Info

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Stock Name	ADVCON
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