

# 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 RHONG KHEN TIMBERS SDN BHD

## ADVANCECON HOLDINGS BERHAD

<b>Type</b>	Announcement
<b>Subject</b>	MEMORANDUM OF UNDERSTANDING
<b>Description</b>	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - MEMORANDUM OF UNDERSTANDING BETWEEN ADVANCECON SOLAR SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND RHONG KHEN TIMBERS 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 17 July 2020 entered into a Memorandum of Understanding ("MOU") with Rhong Khen Timbers Sdn Bhd (Registration No. 200201007088 (574751-W)) ("RHONG KHEN") to develop rooftop solar photovoltaic system under the Net Energy Metering ("NEM") scheme on the rooftop of RHONG KHEN's premises located in Ajil, Terengganu ("RHONG KHEN's Premise") ("the Project") with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("SARE") between RHONG KHEN and Adv Solar with Tenaga Nasional Berhad ("TNB").

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

### 2. Information on RHONG KHEN

RHONG KHEN is a company incorporated in Malaysia and having its business address at 5322, Kawasan Perindustrian Ajil, Jalan K Berang, Kampung Tok Rebok, 21800 Ajil, Terengganu.

### 3. Salient Terms of MOU

The provisions of the MOU include the following:

- a) Adv Solar shall fulfill the role of engineering, procurement and construction of a 1,815kWp solar photovoltaic system that will be installed on RHONG KHEN's Premises;
- b) Adv Solar shall invest and own the solar photovoltaic system throughout the terms of the SARE

agreement;

c) Adv Solar shall fulfill the role of operations and maintenance of the solar photovoltaic system throughout the terms of the SARE agreement;

d) RHONG KHEN shall give consent and allow Adv Solar to install the solar photovoltaic system on RHONG KHEN'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 RHONG KHEN 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 RHONG KHEN 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 17 July 2020.

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### Announcement Info

<b>Company Name</b>	ADVANCECON HOLDINGS BERHAD
<b>Stock Name</b>	ADVCON
<b>Date Announced</b>	17 Jul 2020
<b>Category</b>	General Announcement for PLC
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