

# 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 PROMINENT IMAGE 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 PROMINENT IMAGE 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 6 August 2020 entered into a Memorandum of Understanding ("MOU") with Prominent Image Sdn. Bhd. (Registration No. 199401018345 (304024-P)) ("Prominent") to develop rooftop solar photovoltaic system under the Net Energy Metering ("NEM") scheme on the rooftop of Prominent's premises located in Kawasan Industri Rawang Integrated in the State of Selangor ("Prominent's Premises") with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("SARE") between Prominent and Adv Solar with Tenaga Nasional Berhad.

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

### 2. Information on Prominent

Prominent is a company incorporated in Malaysia and having its business address at 6, Jalan Industri 3/2, Kawasan Industri Rawang Integrated, 48000 Rawang, Selangor.

### 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 342.32kWp solar photovoltaic system that will be installed on Prominent's Premises;
- b) Adv Solar shall invest and own the solar photovoltaic system throughout the terms of the SARE;

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

d) Prominent shall give consent and allow Adv Solar to install the solar photovoltaic system on Prominent's Premises during the terms of the SARE period; and

e) Ownership, operations and maintenance of the solar photovoltaic system shall be transferred to Prominent after the expiration of the terms of the SARE.

#### **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 Prominent 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 the 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 6 August 2020.

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### Announcement Info

<b>Company Name</b>	ADVANCECON HOLDINGS BERHAD
<b>Stock Name</b>	ADVCON
<b>Date Announced</b>	06 Aug 2020
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