

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 MYDIN MOHAMED HOLDINGS 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 MYDIN MOHAMED HOLDINGS 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 Mydin Mohamed Holdings Bhd (Registration No. 199101011136 (221448-A)) ("Mydin") to develop rooftop solar photovoltaic system under the Net Energy Metering ("NEM") scheme on the rooftop and carparks of Mydin's premises located in Lot No. 31156, Jalan Bandar Seremban Utama, Bandar Seremban Utama, 70300 Seremban, Negeri Sembilan ("Mydin Seremban") with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("SARE") between Mydin and Adv Solar with Tenaga Nasional Berhad and to conduct feasibility study for 5 other Mydin hypermarkets.

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

2. Information on Mydin

Mydin is a company incorporated in Malaysia and having its registered address at 12th Floor, Menara Symphony, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, 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 2,344.32kWp solar photovoltaic system that will be installed on Mydin Seremban;

- 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) Mydin shall give consent and allow Adv Solar to install the solar photovoltaic system on Mydin Seremban Premise during the terms of the SARE period; and

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

Adv Solar shall upon signing of this MOU proceed to conduct a feasibility studies on the other Mydin's premises as the following, and thereafter proceed to negotiate on further terms relating to the Project and in the event that all Parties agreed to all the terms relating to the Project, the entering into the SARE and other ancillary agreements with the relevant parties within 6 months following the date of the signing of this MOU or such other date as the Parties mutually agreed:

- Mydin MITC at Ayer Keroh, Melaka;
- Mydin Jasin at Bemban, Melaka;
- Mydin Senawang at Seremban, Negeri Sembilan;
- Mydin Pulau Sebang at Alor Gajah, Melaka; and
- Mydin Tunjung at Kota Bharu, Kelantan.

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 Mydin 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.

Announcement Info

| | |
|-------------------------|------------------------------|
| Company Name | ADVANCECON HOLDINGS BERHAD |
| Stock Name | ADVCON |
| Date Announced | 06 Aug 2020 |
| Category | General Announcement for PLC |
| Reference Number | GA1-06082020-00014 |