

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 PERITONE HEALTH 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 PERITONE HEALTH 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 7 July 2020 entered into a Memorandum of Understanding ("MOU") with Peritone Health Sdn Bhd (Registration No. 201401003339 (1079413-W)) ("PERITONE") to develop rooftop solar photovoltaic system for self-consumption on the rooftop of PERITONE's premises located in Kulim Hi Tech Park, Kulim, Kedah ("PERITONE's Premise") ("the Project") with the adoption, execution and implementation of the Power Purchase Agreement ("PPA") and Lease Agreement ("LEASE").

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

2. Information on PERITONE

PERITONE is a company incorporated in Malaysia and having its business address at Lot 12 Phase 4 Kulim Hi Tech Park, Kulim, Kedah.

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 461.12kWp solar photovoltaic system that will be installed on PERITONE's Premises;
- b) Adv Solar shall invest and own the solar photovoltaic system throughout the terms of the PPA and LEASE agreement;

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

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

e) Ownership, operations and maintenance of the solar photovoltaic system shall be transferred to PERITONE after the expiration of the terms of the PPA and LEASE 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 PPA and LEASE; 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 PPA and LEASE.

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 PERITONE 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 7 July 2020.

Announcement Info

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