

**THIS DOCUMENT HAS NOT BEEN REGISTERED WITH BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”). THE INFORMATION IN THIS DOCUMENT MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED WITH BURSA SECURITIES. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.**

## P R O S P E C T U S



### **SOLAR DISTRICT COOLING GROUP BERHAD**

(Registration No. 202301015665 (1509587-U))  
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF SOLAR DISTRICT COOLING GROUP BERHAD (“**SDCG**”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) COMPRISING A PUBLIC ISSUE OF 118,670,000 NEW ORDINARY SHARES IN SDCG (“**SHARES**”) IN THE FOLLOWING MANNER:

- 21,192,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 21,192,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF SDCG AND ITS SUBSIDIARIES; AND
- 76,286,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN ISSUE PRICE OF RM[●] PER SHARE, PAYABLE IN FULL UPON APPLICATION

*Principal Adviser, Sponsor, Underwriter and Placement Agent*



#### **MERCURY SECURITIES SDN BHD**

(Registration No: 198401000672 (113193-W))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF THE ADMISSION TO THE OFFICIAL LIST OF THE ACE MARKET OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES BY BURSA SECURITIES AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 170.**

**THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.**

**THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.**

**LISTING SOUGHT: ACE MARKET OF BURSA SECURITIES**

**THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE OF MALAYSIA.**

**THIS PROSPECTUS IS DATED [●]**

All defined terms used in this Prospectus are defined under “Presentation of Information”, “Definitions” and “Glossary of Technical Terms” commencing on pages xix, respectively.

### **RESPONSIBILITY STATEMENTS**

Our Directors and Promoters of SDCG have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Mercury Securities Sdn Bhd (“**Mercury Securities**”), being our Principal Adviser, Sponsor, Underwriter and Placement Agent acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the offering.

### **STATEMENTS OF DISCLAIMER**

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of ACE Market is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

### **OTHER STATEMENTS**

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 (“**CMSA**”) for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any person in relation to our Group.

Our Shares listed on Bursa Securities are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

You should note that any agreement by our Underwriter to underwrite our Shares is not to be taken as an indication of the merits of our Shares being offered.

Our Shares being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent, or any of their respective directors or any other persons involved in our IPO.

This Prospectus has been prepared and published in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised and take no responsibility for the

distribution of this Prospectus outside Malaysia. No action has been taken to permit a public offering of our Shares based on this Prospectus or the distribution of this Prospectus outside Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase any of our Shares being offered in our IPO in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it. It shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in this Prospectus and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection therewith.

However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It will be your sole responsibility to consult your legal or other professional adviser on the laws to which our IPO or you are or might be subjected. Neither we nor our Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent nor any other advisers in relation to our IPO accept any responsibility or liability if any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

### **ELECTRONIC PROSPECTUS**

This Prospectus can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the Electronic Prospectus and the copy of this Prospectus registered with the Bursa Securities are the same.

You are advised that the internet is not a fully secure medium. Your Internet Share Application may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in any doubt about the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we and our Principal Adviser are not responsible for any availability of or the content or any data, information, files or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of

dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by the Third-Party Internet Sites; and

- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (iii) the Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracy, change, alteration, deletion or omission in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

*[The rest of this page has been intentionally left blank]*

**INDICATIVE TIMETABLE**

---

The following events are intended to take place on the following indicative time and/or date:

<b>Event</b>	<b>Time / date</b>
Issuance of the Prospectus / Opening of Application	[•]
Closing of Application	[•]
Balloting of Applications	[•]
Allotment of our IPO Shares to successful applicants	[•]
Listing on the ACE Market	[•]

If there is any change to the indicative timetable above, we will advertise a notice of changes in widely circulated Bahasa Malaysia and English daily newspapers within Malaysia and make an announcement of such changes on Bursa Securities' website accordingly.

*[The rest of this page has been intentionally left blank]*

**TABLE OF CONTENTS**


---

	<b>PAGE</b>
<b>PRESENTATION OF INFORMATION .....</b>	ix
<b>FORWARD-LOOKING STATEMENTS .....</b>	x
<b>DEFINITIONS .....</b>	xi
<b>GLOSSARY OF TECHNICAL TERMS .....</b>	xix
<b>1. CORPORATE DIRECTORY .....</b>	1
<b>2. APPROVALS AND CONDITIONS.....</b>	5
2.1 Approvals and Conditions.....	5
2.2 Moratorium on our Shares .....	5
<b>3. PROSPECTUS SUMMARY .....</b>	7
3.1 Principal details of our IPO .....	7
3.2 Our Group and Principal Activities.....	7
3.3 Business Model.....	8
3.4 Our Competitive Advantage and Key Strengths.....	9
3.5 Impact of the Covid-19 Pandemic.....	10
3.6 Business Strategies and Plans .....	11
3.7 Risk Factors .....	12
3.8 Directors and Key Senior Management .....	13
3.9 Promoters and Substantial Shareholders.....	14
3.10 Use of Proceeds.....	15
3.11 Financial Highlights.....	15
3.12 Dividend Policy.....	16
<b>4. DETAILS OF OUR IPO .....</b>	17
4.1 Opening and Closing of Application Period.....	17
4.2 Indicative Timetable .....	17
4.3 Particulars of our IPO.....	17
4.4 Share Capital, Classes of Shares and Rankings.....	21
4.5 Basis of Arriving at the IPO Price of our IPO Shares.....	22
4.6 Dilution.....	23
4.7 Objectives of our IPO.....	24
4.8 Use of Proceeds.....	25
4.9 Brokerage, Underwriting Commission and Placement Fee.....	30
4.10 Details of Underwriting Agreement.....	30
4.11 Trading and Settlement in Secondary Market.....	30

**TABLE OF CONTENTS (CONT'D)**

<b>5.</b>	<b>INFORMATION ON OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT.....</b>	<b>32</b>
5.1	Promoters and Substantial Shareholders .....	32
5.2	Board of Directors .....	36
5.3	Board Practices .....	49
5.4	Management Reporting Structure.....	56
5.5	Key Senior Management .....	57
5.6	Associations of Family Relationships between our Directors, Promoters, Substantial Shareholders and Key Senior Management.....	66
5.7	Declarations by our Directors, Promoters and Key Senior Management.....	66
5.8	Service Contracts.....	67
5.9	Management Succession Plan.....	67
<b>6.</b>	<b>INFORMATION OF OUR GROUP .....</b>	<b>68</b>
6.1	Our Group .....	68
6.2	The Formation of our Group .....	69
6.3	Our Group Structure .....	69
6.4	Our Subsidiaries .....	70
6.5	Material Investments and Divestitures.....	72
6.6	Public Take-overs.....	73
6.7	Material Contracts.....	73
6.8	Material Properties.....	74
6.9	Intellectual Properties.....	75
6.10	Material Licences, Permits and Approvals.....	79
6.11	Regulatory Requirements and Environmental Issues.....	89
6.12	Employees.....	91
6.13	Environmental, Social and Governance Practices.....	92
<b>7.</b>	<b>BUSINESS OVERVIEW.....</b>	<b>94</b>
7.1	Incorporation and History.....	94
7.2	Our Achievements and Recognitions.....	97
7.3	Overview of our Business.....	98
7.4	Mode of Operation.....	103
7.5	Our Competitive Advantages and Key Strengths.....	109
7.6	Business Activities and Services.....	111
7.7	Marketing Strategies and Activities.....	131
7.8	Seasonality.....	132
7.9	Machinery and Equipment.....	132
7.10	Production Capacity and Utilisation.....	132
7.11	Operational Facilities.....	132
7.12	Process Flow.....	132
7.13	Technologies Used.....	140
7.14	Research and Development.....	141

**TABLE OF CONTENTS (CONT'D)**

7.15	Material Interruptions to the Business.....	141
7.16	Major Customers.....	143
7.17	Our Materials and Services.....	147
7.18	Major Suppliers.....	150
7.19	Business Strategies and Plans.....	154
<b>8.</b>	<b>IMR Report .....</b>	<b>159</b>
<b>9.</b>	<b>RISK FACTORS .....</b>	<b>170</b>
9.1	Risks Relating to our Business.....	170
9.2	Risks Relating to our Industry.....	178
9.3	Risks relating to Investment in our Shares.....	179
<b>10.</b>	<b>RELATED PARTY TRANSACTIONS .....</b>	<b>182</b>
10.1	Related Party Transactions.....	182
10.2	Other Transactions.....	185
10.3	Monitoring and Oversight of Related Party Transactions.....	186
<b>11.</b>	<b>CONFLICT OF INTEREST .....</b>	<b>187</b>
11.1	Interest in Entities Carrying on a Similar Trade as our Group or which are our Customers and/or Suppliers.....	187
11.2	Declarations of Conflict of Interests by our Advisers.....	187
<b>12.</b>	<b>FINANCIAL INFORMATION.....</b>	<b>189</b>
12.1	Historical Financial Information.....	189
12.2	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	193
12.3	Significant Factors Affecting our Group's Operations and Financial Performance.....	217
12.4	Liquidity and Capital Resources.....	221
12.5	Accounting Policies and Audit Qualification.....	233
12.6	Trend Analysis.....	233
12.7	Order Book.....	234
12.8	Dividend Policy.....	234
12.9	Capitalisation and Indebtedness.....	236
<b>13.</b>	<b>REPORTS ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION.....</b>	<b>237</b>
<b>14.</b>	<b>ACCOUNTANTS' REPORT.....</b>	<b>252</b>
<b>15.</b>	<b>ADDITIONAL INFORMATION.....</b>	<b>348</b>
15.1	Share capital .....	348



**TABLE OF CONTENTS (CONT'D)**

15.2	Extract of our Constitution .....	348
15.3	Deposited Securities and Rights of Depositors.....	358
15.4	Limitation on the Right to own Securities.....	358
15.5	Exchange Controls.....	358
15.6	Material Litigation.....	359
15.7	Consents .....	359
15.8	Documents Available for Inspection.....	360
15.9	Responsibility Statements.....	360
<b>16.</b>	<b>SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE .....</b>	<b>361</b>
16.1	Opening and Closing of Application.....	361
16.2	Methods of Application.....	361
16.3	Eligibility.....	362
16.4	Procedures for Application by way of Application Forms.....	363
16.5	Procedures for Application by way of Electronic Share Applications.....	364
16.6	Procedures for Application by way of Internet Share Applications.....	364
16.7	Authority of our Board and our Issuing House.....	364
16.8	Over/ under Subscription.....	365
16.9	Unsuccessful/ partially Successful Applicants.....	365
16.10	Successful Applicants.....	366
16.11	Enquiries.....	367

*[The rest of this page has been intentionally left blank]*

## PRESENTATION OF INFORMATION

---

All references to “our Company” or “the Company” or “SDCG” in this Prospectus are to Solar District Cooling Group Berhad. All references to “our Group” or “the Group” or “SDCG Group” are made to our Company and our subsidiaries taken as a whole. All references to words such as “we”, “us”, “our” and “ourselves” in this Prospectus are to our Company and where the context otherwise requires, our Group. Unless the context otherwise requires, references to “Management” are to our Directors and Key Senior Management as at the date of this Prospectus. Statements as to our beliefs, expectations, estimates and opinions are those of our management.

All references to “you” are to our prospective investors.

All references to “Government” are to the Government of Malaysia.

The word “approximately” used in this Prospectus indicates that a number is not an exact one, but that number is usually rounded off to the nearest thousandth or 2 decimal places. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments. Certain acronyms, technical terms and other abbreviations used in this Prospectus are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus.

Words denoting the singular will, where applicable, include the plural and vice versa and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and vice versa. References to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange will (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a date and time will be a reference to Malaysian time, unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the market and industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the IMR Report prepared by Vital Factor Consulting Sdn Bhd (“**Vital Factor**”), the executive summary of which is included in Section 8 of this Prospectus. We have appointed Vital Factor to provide an independent market and industry review relating to an overview of the industry in which we operate in or exposed to. In compiling its data for the review, Vital Factor had relied on its research methodology, industry sources, published materials, its own private databanks and direct contacts within the industry.

We believe that the information on the industry as contained in this Prospectus and other statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the market and industry in which we operate. Third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurance can be given that the projected figures will be achieved and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus. If there is any discrepancy between the contents of such website relating to our Group and this Prospectus, the information contained in this Prospectus shall prevail.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail.

*[The rest of this page has been intentionally left blank]*

## FORWARD-LOOKING STATEMENTS

---

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, our performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and do not guarantee future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions and include all statements that are not historical facts.

Forward-looking statements include, without limitation, statements relating to:

- (i) our future overall business development and operations plans;
- (ii) our future earnings, cash flow and liquidity;
- (iii) potential growth opportunities;
- (iv) our business strategies, trends and competitive position;
- (v) our ability to pay dividends; and
- (vi) the general industry environment, including the demand and supply of our products.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitations, those discussed in Section 9 of this Prospectus on “Risk Factors” and Section 12.2 of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

Such forward-looking statements are made only as at the date of this Prospectus. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rule 3.12D of the Listing Requirements.

*[The rest of this page has been intentionally left blank]*

**DEFINITIONS**

The following terms in this Prospectus bear the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

**COMPANIES WITHIN OUR GROUP:**

SDCG or Company : Solar District Cooling Group Berhad (Registration No. 202301015665 (1509587-U))

SDCG Group or Group : Collectively, the Company and its subsidiaries

**SUBSIDIARY OF OUR COMPANY:**

SDC : Solar District Cooling Sdn Bhd (Registration No. 200301004597 (607017-T))

**SUBSIDIARY OF SDC:**

KED : Kejuruteraan Efektif Dinamik Sdn Bhd (Registration No. 201401042378 (1118545-H))

**GENERAL:**

ACE Market : ACE Market of Bursa Securities

Acquisition : Proposed acquisition by our Company of the entire issued share capital of SDC from Edison Kong and Eileen Liuk, for a total purchase consideration of RM15,257,618, which will be satisfied entirely via the issuance of 305,152,360 new Shares at an issue price of RM0.05 per Share

Act : Companies Act 2016

AGM : Annual general meeting

Applicant : Applicant for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application

Application(s) : Application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application

Application Form(s) : Printed application(s) form for the application of IPO Shares accompanying this Prospectus

ATM : Automatic teller machine

Authorised Financial Institution: : Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares

BMU : Baseline monthly energy usage

Board : Board of Directors of our Company

Bursa Depository : Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))

**DEFINITIONS (CONT'D)**

Bursa Securities	:	Bursa Malaysia Securities Berhad ( <i>Registration No. 200301033577 (635998-W)</i> )
CAGR	:	Compound annual growth rate
CCC	:	Certificate of Completion and Compliance
CCM	:	Companies Commission of Malaysia
CDS	:	Central depository system
CDS Account	:	Securities account established by Bursa Securities for a depositor for the recording of securities and for dealing in such securities by the depositor
CIDB	:	Construction Industry Development Board
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
COS	:	Cost of sales
COVID-19	:	Novel coronavirus disease, an infectious respiratory disease which first broke out in 2019
Director(s)	:	Director(s) of our Company
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
ESCO	:	Energy Service Company
Edison Kong	:	Kong Kam Onn, our Promoter, Managing Director, Substantial Shareholder and Specified Shareholder
Eileen Liuk	:	Liuk Ing Hong, our Promoter, Executive Director, Substantial Shareholder and Specified Shareholder
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/ or an electronic storage medium, including but not limited to CD-ROMs ( <i>compact disc read-only memory</i> )
Electronic Share Application	:	Application for our IPO Shares through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, the eligible Directors, employees of our Group and persons who have contributed to the success of our Group who are eligible to participate in the Public Issue
EPS	:	Earnings per share
FP(s)	:	Financial period(s) ended/ending 30 September, as the case may be

**DEFINITIONS (CONT'D)**


---

FP Under Review	: Collectively, FP 2022 and FP 2023
FY	: Financial year ended 31 December, as the case may be
FY Under Review	: Collectively, the past FY 2020, FY 2021 and FY 2022
GP	: Gross profit
Headquarters	: Our current head office at a shop office unit located at Wisma SDC, No 25, Jln Kajang Perdana 3/2, Taman Kajang Perdana, 43000 Kajang, Selangor
ICR or Sterling	: Sterling Business Alignment Consulting Sdn Bhd ( <i>Registration No. 200401015607 (654110-P)</i> )
ICT	: Information and communication technology
IMR or Vital Factor	: Vital Factor Consulting Sdn Bhd ( <i>Registration No. 199301012059 (266797-T)</i> )
IMR Report	: Independent market research report prepared by Vital Factor
Internet Participating Financial Institution	: Participating financial institution(s) in the Internet Share Application
Internet Share Application	: Application for our IPO Shares under the Public Issue through an Internet Participating Financial Institution
IPO	: Initial public offering
IPO Price	: Issue price of RM[●] per IPO Share
IPO Share(s)	: 118,670,000 new Shares to be issued by our Company pursuant to the IPO
Issuing House	: Tricor Investor & Issuing House Services Sdn Bhd ( <i>Registration No. 1971101000970 (11324-H)</i> )
Key Senior Management	: Key senior management personnel of our Group comprising Edison Kong, Eileen Liuk, Ed Kamil bin Md Bashah, Khoirol Suhardi Bin Shaaban, Mohd Hanafy bin Rasimon and Gan Yee Shan
Listing	: Listing of and quotation for our entire enlarged issued share capital on the ACE Market
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 3 January 2024, being the latest practicable date prior to the registration of this Prospectus
Malaysian Public	: Citizens of Malaysia, and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia

**DEFINITIONS (CONT'D)**

Market Day	: Any day between Mondays and Fridays (both days inclusive) which is not a public holiday and a day on which Bursa Securities is open for trading of securities
MCO	: Movement control order
Mercury Securities or Principal Adviser or Underwriter or Placement Agent	: Mercury Securities Sdn Bhd ( <i>Registration No. 198401000672 (113193-W)</i> )
MOH	: Ministry of Health, Malaysia
NA	: Net assets
NBV	: Net book value
Official List	: A list specifying all securities listed on Bursa Securities
Participating Financial Institution(s)	: Participating financial institution(s) for the Electronic Share Application
PAT	: Profit after tax
PBT	: Profit before tax
PE Multiple	: Price-to-earnings multiple
Pink Form Allocations	: The allocation of 21,192,000 new Shares to the Eligible Persons pursuant to the IPO
Promoters	: Collectively, Edison Kong and Eileen Liuk
Prospectus	: This prospectus dated [●] issued by our Company in relation to our IPO
Prospectus Guidelines	: Prospectus Guidelines issued by the SC
Public Issue	: The public issue of 118,670,000 new Shares at our IPO Price
PV	: Photovoltaic
Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to the SICDA
REEM	: Registered Electrical Energy Manager
SC	: Securities Commission Malaysia
SEDA	: Sustainable Energy Development Authority Malaysia
Share(s) or SDCG Share(s)	: Ordinary share(s) in SDCG
Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd ( <i>Registration No. 1971101000970 (11324-H)</i> )
SICDA	: Securities Industry (Central Depositories) Act, 1991

**DEFINITIONS (CONT'D)**

SPE	:	Sinar Perintis Ehsan Sdn Bhd ( <i>Registration No. 201601006072 (1176998-K)</i> )
Specified Shareholders	:	Collectively, Edison Kong and Eileen Liuk
SPM	:	Sinar Perintis Makmur Sdn Bhd (formerly known as Tri Io Controls Sdn Bhd) ( <i>Registration No. 201701018005 (1232170-A)</i> )
sq. ft	:	Square feet
SSA	:	Conditional share sale agreement entered on 11 August 2023 by the Company with the Vendors for the Company to acquire the entire issued share capital of SDC for a purchase consideration of RM15,257,618
Substantial Shareholders	:	Collectively, Edison Kong and Eileen Liuk
YM	:	Yang Mulia
Underwriting Agreement	:	Underwriting agreement dated [●] entered into between the Company and the Underwriter pursuant to our IPO
Vendors	:	Collectively, Edison Kong and Eileen Liuk, who are the vendors for the Acquisition
White Application Form	:	Application form for the application of our new Shares by the Malaysian Public accompanying this Prospectus

**SDCG GROUP'S OPERATING LOCATION:**

Headquarters	:	Our headquarters located at Wisma SDC, No. 25, Jalan Kajang Perdana 3/2, Taman Kajang Perdana, 43000 Kajang, Selangor Darul Ehsan, Malaysia
--------------	---	---

**CURRENCIES, UNITS AND OTHERS:**

°C	:	Degree Celsius
RM and sen	:	Ringgit Malaysia and sen respectively
%	:	Per centum

*[The rest of this page has been intentionally left blank]*



**DEFINITIONS (CONT'D)****PROJECTS:**

<b>Project Name</b>	<b>Brief descriptions</b>
Administration Centre Project	: Refers to the integration of building management system for an administration centre in Kuantan, Pahang
Ampang Hospital Project	: Refers to the supply, installation, testing and commissioning of a hybrid solar thermal hot water system for Ampang Hospital, a public hospital in Ampang, Selangor
Ampang Office Tower Project	: Refers to the supply, delivery, installation, testing and commissioning of BMS and automatic control works for an office tower in Kuala Lumpur
Business School Project	: Refers to the supply, delivery, installation, testing and commissioning and maintenance of BMS and building security system works for a business school in Kuala Lumpur
Business School Residence Project	: Refers to the supply, delivery, installation, testing and commissioning and maintenance of BMS and building security system works for the residential accommodation of a business school in Kuala Lumpur
Chilled Water System Maintenance Project	: Refers to the replace and install valves, strainers, flexible connectors, pressure gauges, thermometers and other accessories of existing AHU and FCU in Kuala Lumpur
Commercial Building Project	: Refers to the supply, delivery, installation, testing and commissioning of BMS for a hotel and retail property development in Kuala Lumpur
Conference and Residential Complex Project	: Refers to the upgrading of BMS for a conference and residential complex in Kuala Lumpur
Conference and Training Facility Project	: Refers to the supply, delivery, installation, testing and commissioning and maintenance of BMS and building security system works for a conference and training facility in Kuala Lumpur
Cyberjaya Data Centre Project	: Refers to the upgrading of BMS and installation of energy management system at a data centre in Cyberjaya and recovery centre
Financial Institution Project	: Refers to the provision of building systems integration and contractor services for a financial institution in Kuala Lumpur
Gas District Cooling Maintenance 1 Project	: Refers to the provision of comprehensive maintenance for 2 units of direct-fired chiller at a plant in Putrajaya
Gas District Cooling Maintenance 2 Project	: Refers to the maintenance works for 2 units of direct-fired chiller at 2 plants in Putrajaya

**DEFINITIONS (CONT'D)**

<b>Project Name</b>	<b>Brief descriptions</b>
Healthcare University Project	: Refers to the supply, delivery, installation, testing and commissioning and maintenance of extra low voltage (ELV) works, chiller plant facility management system, building automation system, and fridge monitoring system for a health science university in Kuala Lumpur
Hospital 1 Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system at Hospital 1 in Sabah
Hospital 2 Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system at Hospital 2 in Sabah
Hospital 3 Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system and retrofitting of fluorescent tube lightings to LED lightings at Hospital 3 in Kedah
KETSA Project	: Refers to upgrading of BMS as part of the facility management and maintenance of the Ministry of Energy and Natural Resources in Precinct 4 Putrajaya
Ministry of Education 1 Project	: Refers to the upgrading of BMS in 3 blocks of buildings under the Ministry of Education in Putrajaya
Ministry of Education 2 Project	: Refers to the supply, delivery, installation, testing and commissioning of BMS in 2 blocks of buildings under the Ministry of Education in Putrajaya
Ministry of Finance Project	: Refers to the upgrading of BMS and energy management system under the Ministry of Finance in Putrajaya
Ministry of Health Project	: Refers to the supply, delivery, installation, testing and commissioning of BMS in 3 blocks of buildings under the Ministry of Health in Putrajaya
Miri Hospital Contract	: Refers to the energy performance services involving in the installation of a hybrid solar thermal hot water system and retrofitting of fluorescent tube lightings to LED lightings at Miri Hospital, a public hospital in Sarawak
Precinct 8 Putrajaya Project	: Refers to the supply, delivery, installation, testing and commissioning, service and maintenance of BMS for a mixed development in Putrajaya
Puncak Alam Hospital Project	: Refers to the supply, installation, testing and commissioning of BMS for a hospital in Puncak Alam, Selangor
Putrajaya Hotel ICT Project	: Refers to the supply, delivery, dismantle, installation, testing and commissioning and maintenance of information and communication technology (ICT), building security system services works for a hotel in Putrajaya

**DEFINITIONS (CONT'D)**

---

<b>Project Name</b>	<b>Brief descriptions</b>
Putrajaya Hotel Project	: Refers to the supply, delivery, dismantle, installation, testing and commissioning and maintenance of BMS for a hotel in Putrajaya
Sarawak Heart Centre Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system and retrofitting of fluorescent tube lightings to LED lightings at the Sarawak Heart Centre in Sarawak
Sarikei Hospital Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system and retrofitting of fluorescent tube lightings to LED lightings at Sarikei Hospital, a public hospital in Sarawak
Semiconductor Project	: Refers to the supply, delivery, installation, testing and commissioning of facilities management control services for a semiconductor manufacturer in Malacca
Sibu Hospital Contract	: Refers to the energy performance services involving the installation of a hybrid solar thermal hot water system and retrofitting of fluorescent tube lightings to LED lightings at Sibu Hospital, a public hospital in Sarawak

*[The rest of this page has been intentionally left blank]*

## GLOSSARY OF TECHNICAL TERMS

---

This glossary contains the explanation of certain terms used throughout this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings usage of these terms.

- Air handling unit or AHU** : An air handling unit is a device designed to circulate and regulate the flow of air as part of a centralised cooling system. The main AHU components include a blower, cooling coil, filters, air intakes and diffusers. Warm and moist air from a designated area is sucked into the AHU through air intakes and blown across the cooling coil, through which chilled water from the chiller circulates. As the warm and moist air passes through the cooling coil, heat is transferred to the chilled water resulting in the cooling and drying of the air. The water (which is now warmer) is returned to the chiller for reuse, and the cooled and drier air is recirculated into the designated area through diffusers
- AHU are designed to handle and cool a larger volume of air compared to an FCU
- Airside equipment** : In a cooling system, airside equipment refers to the equipment installed at the interior space to be air conditioned by using chilled water to cool and dry the air. AHU and FCU are examples of airside equipment
- Building management system or BMS** : In the context of this Prospectus, this refers to the system of hardware, software and communications that integrates and centralises the monitoring and management of the building's mechanical, electrical and process utility facilities including air conditioning and mechanical ventilation, lighting, security access, close-circuit television, fire protection and process utilities such as plumbing, sewage and drainage systems
- Calorifier tank** : In the context of this Prospectus, it is an insulated pressurised water tank with a heat exchanger where heat from solar collector modules is transferred to the calorifier tank to heat water
- Command and control centre** : In the context of this Prospectus, this is a centralised facility at our Group's Headquarters in Kajang, Selangor where we can monitor our customers' connected BMS and solar thermal hot water systems. We are also able to control some aspects of the BMS and solar thermal hot water systems such as turning on or off fan coil units
- Concessionaire or concession company** : In the context of this Prospectus, it refers to our customers who have secured concessions to provide hospital support services for public hospitals, including facility engineering maintenance services, biomedical engineering maintenance services, cleansing services, health care waste management services, linen and laundry services, and facilities management services
- Direct digital controller or DDC** : Refers to the hardware installed at specific machinery and equipment or sub-systems to provide automated control (based on programming) and remote control. The hardware will also include embedded software for logic control based on logic and pre-determined conditions

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

- Energy performance contracting : In 2013, the Malaysian Government initiated energy performance contracting (EPC) to promote energy efficiency in government buildings. The EPC concept is based on an agreement between the government, as the building owner, and an energy services company (ESCO). Under the arrangement, the ESCO covers the initial capital cost to implement the energy efficiency improvement. Payment to ESCO is based upon the agreed sharing value between the ESCO and the building owner from the guaranteed savings achieved. After the agreement ends, the ownership of all the equipment and system installed at the facility will be transferred to the building owner
- Energy performance services : In the context of this Prospectus, energy performance services refer to the installation of hybrid solar thermal hot water systems and for some contracts, retrofitting of fluorescent lighting to LED lighting. We provide energy performance services to concessionaires of hospital support services for public hospitals to improve the energy efficiency of their respective public hospitals where we fund the total project investment and we are paid monthly over the period of our contract. Depending on the contract, we also have a share of the guaranteed savings which are paid monthly over the period of our contract. In the context of this Prospectus, we provide energy performance services to our customers, namely Edgenta Mediserve Sdn Bhd, Sedafiat Sdn Bhd and One Medicare Sdn Bhd
- Energy performance service contract : It refers to the contract with our customers who are concessionaires of public hospital support services that are directly involved in energy performance contracting. The concessionaires have engaged us as a subcontractor to carry out the energy efficiency work related to the installation of hybrid solar thermal hot water systems and for some contracts, retrofitting of fluorescent lighting to LED lighting. Our agreements are also subject to the approval of the Ministry of Health Malaysia. In the context of this Prospectus, it refers to our contracts with our customers, namely Edgenta Mediserve Sdn Bhd, Sedafiat Sdn Bhd and One Medicare Sdn Bhd
- Fan coil unit or FCU : A fan coil unit is a device that uses a fan and cooling coil to provide space cooling in an indoor space without connecting to air ductwork. The fan draws air into the fan cooling unit, where it passes over the cooling coil (which is supplied by chilled water from the chiller), cooled and dried, and then re-circulated into the room
- Heat exchanger : A piece of equipment designed to transfer heat between two fluids such as liquids, vapours or gasses. An example is heat in the atmosphere is transferred to a coil filled with water or some other fluids in the heat exchanger. Heat exchangers are used for both heating and cooling
- Hybrid solar thermal hot water system : In the context of this Prospectus, this mainly refers to our energy performance service contracts which involves the installation of a new solar thermal hot water system and integrating it with an existing boiler hot water system that uses either diesel or liquified petroleum gas as the energy source

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

Kilowatt or kW	:	Equivalent to 1,000 watts
Light emitting diode or LED	:	A semiconductor device that emits light when electricity passes through it. LED light is used to provide illumination and uses less electricity for the same illumination intensity compared to other means of illumination such as fluorescent tube
Liquefied petroleum gas or LPG	:	In the context of this Prospectus, it refers to the fuel source used for the boiler hot water system
Manifold	:	In the context of this Prospectus, the manifold is the part of the solar thermal collector module where a row of several solar evacuated tubes is installed
Megawatt or MW	:	Equivalent to 1,000,000 watts
Process utility	:	In the context of this Prospectus, process utility includes plumbing, sewerage and drainage systems
Public hospital support services	:	In the context of this Prospectus, it refers to hospital support services for public hospitals, including facility engineering maintenance services, biomedical engineering maintenance services, cleansing services, health care waste management services, linen and laundry services, and facilities management services. These are the services specified by the Ministry of Health Malaysia to be provided by concessionaires
Retrofit	:	Addition or replacement of devices, machines, equipment or subsystems to an existing operational plant
Solar PV system	:	It refers to an electricity generating facility that converts sunlight to direct current.
Solar thermal	:	Refers to the practice of harnessing energy from the sun in the form of heat to directly increase the temperature of a substance such as water. In the context of this Prospectus, solar thermal energy in the form of sunlight is used directly to heat water for hot water system and space cooling system
Solar thermal collector module	:	In the context of this Prospectus, this is the component of a solar thermal hot water system that is designed to gather heat from sunlight. They comprise a row of solar evacuated tubes inserted into a manifold, which is supported by a frame. Solar collector modules are commonly installed on the roof or in suitable outdoor locations to collect sunlight
Solar thermal control system or STCS	:	In the contest of this Prospectus, it refers to the system designed to provide central monitoring and control of the solar thermal hot water system's operations, status and condition
Solar thermal cooling system	:	It refers to a centralised space cooling system that uses solar thermal energy to chill water for space cooling

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**

---

- Solar thermal evacuated tube : In the context of this Prospectus, a solar evacuated tube is a sealed vacuumed circular transparent glass tube with a heat pipe in the middle. The heat pipe contains a heat transfer fluid which commonly comprises a propylene glycol mixture to absorb the heat from sunlight where the heated fluid will turn into heated vapour that will rise to the top of the solar evacuated tube to be transferred to another location
- Solar thermal hot water system : In the context of this Prospectus, it refers to a system designed to use sunlight directly to heat water. The main components of the system comprise one or more solar collector modules, solar pump and secondary heat transfer fluid, calorifier tank, hot water tanks, hot water distribution system and solar thermal control system
- Systems Integration : A process of connecting different systems, hardware, equipment, devices and components to ensure that they function seamlessly as one complete system. Commonly the process will include programming and connectivity to interface with different systems, hardware, equipment, devices and components
- Watt or w : A unit of measure of energy equivalent to one joule per second, corresponding to the rate of consumption of energy in an electrical circuit where the potential difference of one volt and current of one ampere

*[The rest of this page has been intentionally left blank]*