

6. INFORMATION OF OUR GROUP

6.1 OUR GROUP

6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 25 April 2023 as a private limited company under the name of Solar District Cooling Group Sdn Bhd.

On 25 July 2023, our Company was converted into a public limited company and we assumed our present name.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the following business segments:

<u>Company</u>	<u>Principal activities</u>
Subsidiary of our Company:	
SDC	Provision and maintenance of building management systems, solar thermal systems and other energy services.
Subsidiary of SDC:	
KED	Mechanical and electrical works, and project management services.

6.1.2 Share capital

As at the date of the Prospectus, our issued share capital is RM15,257,718, comprising 305,152,460 Shares. Save as disclosed below, there has been no change in our issued share capital since the date of our incorporation:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration</u>	<u>Nature of transaction</u>	<u>Cumulative share capital</u>	
				<u>No. of Shares</u>	<u>RM</u>
25 April 2023	100	Cash	Subscriber's Shares	100	100
[•]	305,152,360	Other than cash	Allotment of Shares pursuant to the Acquisition	305,152,360	15,257,618
Total issued share capital				305,152,460	15,257,718

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Please refer to Section 6.4 of this Prospectus for further information on our subsidiaries.

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6. INFORMATION OF OUR GROUP (CONT'D)

6.2 THE FORMATION OF OUR GROUP

6.2.1 Acquisition of SDC

The Company had on 11 August 2023 entered into a conditional SSA with the Vendors to acquire the entire issued share capital of SDC for a purchase consideration of RM15,257,618. The purchase consideration was satisfied via the issuance of 305,152,360 new Shares at an issue price of RM0.05 per Share to the Vendors as follows:

Vendors	No. of shares acquired	% of share capital	Purchase consideration (RM)	No of new Shares issued
Edison Kong	900,000	90.00	13,731,856	274,637,124
Eileen Liuk	100,000	10.00	1,525,762	30,515,236
Total	1,000,000	100.00	15,257,618	305,152,360

The purchase consideration of RM15,257,618 was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited consolidated NA of SDC, as at 31 December 2022 of RM15,257,618.

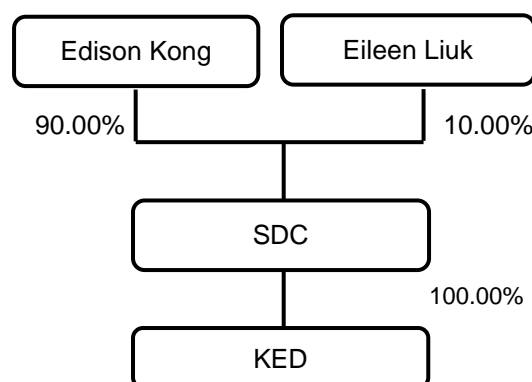
Upon the completion of the Acquisition, SDC and its subsidiary, KED will become our wholly-owned subsidiaries of SDCG.

The new Shares issued pursuant to the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

6.3 OUR GROUP STRUCTURE

Our Group structure before and after our IPO are set out below:

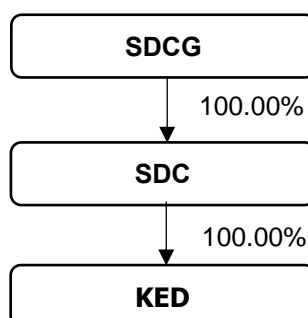
Before our IPO



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6. INFORMATION OF OUR GROUP (CONT'D)

After our IPO



6.4 OUR SUBSIDIARIES

Our subsidiaries as at the date of the Prospectus are as follows:

<u>Name and registration no.</u>	<u>Date and country of incorporation</u>	<u>Principal place of business</u>	<u>Issued share capital</u> RM	<u>Effective equity interest</u> %	<u>Principal activities</u>
<u>Subsidiary of our Company:</u>					
SDC / 200301004597 (607017-T)	22 February 2003 / Kuala Lumpur	Malaysia	1,000,000	100.00	Provision and maintenance of building management systems, solar thermal systems and other energy services.
<u>Subsidiary of SDC:</u>					
KED / 201401042378 (1118545-H)	18 November 2014 / Kuala Lumpur	Malaysia	150,000	100.00	Mechanical and electrical works, and project management services.

As at the LPD, we do not have any joint venture or associated company.

Further details of our subsidiaries as at the LPD are set out below:

6.4.1 SDC

(i) History and Business

SDC was incorporated in Malaysia under the Companies Act 1965 on 22 February 2003 as a private limited company under the name of Pustaka Integrasi Sdn Bhd and is deemed to be registered under the Act. It assumed its present name on 22 February 2008. SDC is principally involved in the provision and maintenance of building management system, solar thermal systems and other energy services.

6. INFORMATION OF OUR GROUP (CONT'D)**(ii) Share Capital**

SDC's issued share capital as at the LPD is RM1,000,000 comprising 1,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of SDC for the past 3 FYs up to the LPD:

<u>Date</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration</u>	<u>Nature of transaction</u>	<u>Cumulative share capital</u>	
				<u>No. of ordinary shares</u>	<u>RM</u>
11 September 2020	100,000	RM1.00 per Share	Otherwise	1,000,000	1,000,000

As at the LPD, SDC does not have any outstanding warrants, options, convertible securities and uncalled capital.

(iii) Shareholder

SDC is a wholly-owned subsidiary of our Company.

(iv) Director

The directors of SDC are Edison Kong and Eileen Liuk.

(v) Subsidiary and associated company

SDC has a wholly-owned subsidiary, namely KED.

As at the LPD, SDC does not have any associated company.

6.4.2 KED**(i) History and Business**

KED was incorporated in Malaysia under the Companies Act 1965 on 18 November 2014 as a private limited company and is deemed to be registered under the Act. KED is principally involved in mechanical and electrical works, and project management services.

(ii) Share Capital

KED's issued share capital as at the LPD is RM150,000 comprising 150,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of KED for the past 3 FYEs up to the LPD:

<u>Date</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration</u>	<u>Nature of transaction</u>	<u>Cumulative share capital</u>	
				<u>No. of ordinary shares</u>	<u>RM</u>
21 July 2023	50,000	RM1.00 per Share	Cash	150,000	150,000

As at the LPD, KED does not have any outstanding warrants, options, convertible securities and uncalled capital.

6. INFORMATION OF OUR GROUP (CONT'D)**(iii) Shareholder**

KED is a wholly-owned subsidiary of SDC.

(iv) Director

The directors of KED are Edison Kong, Eileen Liuk, Ed Kamil Bin Md Bashah, Khoirol Suhardi Bin Shaaban and Mohd Hanafy Bin Rasimon.

(v) Subsidiary and associated company

As at the LPD, KED does not have any subsidiary and associated company.

6.5 MATERIAL INVESTMENTS AND DIVESTITURES

Save as disclosed below, we do not have any other material investments and divestitures for the FY Under Review, FP 2023 and up to the LPD:

	FY 2020	FY 2021	FY 2022	FP 2023	1 October 2023 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Investment costs</u>					
Property and equipment comprising:					
Office equipment	4	4	17	-	-
Furniture and fitting	-	-	2	-	1
Computers	3	8	32	15	1
Motor vehicles	-	318	230	-	-
Machineries	2	2	5	8	-
Capital work-in-progress (Solar PV system)	-	-	-	33	1
Concession asset	2,837	1,250	25	-	-
Acquisition of 30% equity interest in KED	-	-	30	-	-
Total	2,846	1,582	341	56	3
<u>Divestiture proceeds</u>					
Computers	-	*	-	-	-
Motor vehicles	-	30	32	-	-
Total	-	30	32	-	-

(*) Amount is less than RM500

6. INFORMATION OF OUR GROUP (CONT'D)

For FY 2020, our Group's capital expenditure was RM2.85 million and this was mainly for the additions to concession assets which were mainly equipment for the installation of the hybrid solar thermal hot water system and retrofitting of LED lighting under the energy performance services.

For FY 2021, our Group's capital expenditure was RM1.58 million. This was mainly for the additions to concession assets as well as work-in-progress which are mainly equipment for the installation of the hybrid solar thermal hot water system and retrofitting of LED lighting under the energy performance services. In addition, the capital expenditure for FY 2021 also included the purchase of 3 passenger cars.

For FY 2022, our Group's capital expenditure was RM0.31 million and this was mainly for the purchase of a passenger car.

For FP 2023, our Group's capital expenditure was RM0.06 million mainly used for the purchase of equipment mainly for the installation of solar PV systems at our Headquarters in Kajang, Selangor.

Between 1 October 2023 and up to the LPD, our capital expenditure was approximately RM3,000 mainly the purchase of 2 units of computers, accessories for the installation of solar PV systems at our Headquarters in Kajang, Selangor, as well as racking for our office.

Our Group had no capital divestitures for the FY 2020. Our capital divestitures comprised the disposals of computers and 2 units motor vehicles in FY 2021 and 1 unit of motor vehicle in FY 2022 which are fully depreciated.

6.6 PUBLIC TAKE-OVERS

Since the beginning of the FYE 2022 up to the LPD, there has been:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.

6.7 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts which are not in the ordinary course of our Group's business during the FY Under Review, FP 2023 and up to the date of this Prospectus:

- (i) SSA dated 11 August 2023 entered into between our Company and the Vendors for the Acquisition. The Acquisition was completed on [●].
- (ii) Underwriting Agreement dated [●] entered between our Company and Mercury Securities for the underwriting of 42,384,000 Shares for the underwriting commission at the rate as set out in Section 4.9.2 of this Prospectus, in accordance with the terms and conditions as set out in the Underwriting Agreement. Please refer to Section 4.10 for the salient terms of the Underwriting Agreement.

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6. INFORMATION OF OUR GROUP (CONT'D)

6.8 MATERIAL PROPERTIES

6.8.1 Properties owned by our Group

The details of the material properties owned by our Group as at the LPD are as follows:

No.	Registered owner/ Postal address/ Title details	Description of property/ Tenure/ Existing use	Land area/ Built-up area (sq ft)	Date of issuance of CCC or equivalent	Category of land use/ Express condition/ Restriction in interest	Encumbrances	Audited NBV as at 30 September 2023 (RM)
1.	SDC Wisma SDC, No. 25, Jalan Kajang Perdana 3/2, Taman Kajang Perdana, 43000 Kajang, Selangor / H.S.(D) 102744, PT 17930, in the Mukim of Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan	Three storey shop office / Freehold / Office	4,628/ 8,320	14 November 2014	<u>Category of land use</u> Building <u>Express condition</u> Commercial building <u>Restriction in interest</u> None	Charged to CIMB Bank Berhad and CIMB Islamic Bank Berhad	2,609,862.00

The properties owned by our Group are not in breach of any land use conditions, current statutory requirements, land rules and/or building regulations/by-laws, which will have material adverse impact on our operations as at the LPD.

6.8.2 Properties tenanted by our Group



There are no properties tenanted by our Group as at the LPD.

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6. INFORMATION OF OUR GROUP (CONT'D)

6.9 INTELLECTUAL PROPERTIES

Save as disclosed below, as at the LPD, we do not have any brand names, patents, trademarks and other intellectual property rights.

No.	Trademark	Applicant	Authority	Application No.	Place of registration	Application date	Class/ Description of trademark
1.		SDC	Intellectual Property Corporation of Malaysia ("MyIPO")	TM2023010222	Malaysia	12 April 2023 (1)	Class 11 - Solar thermal collectors heating; solar thermal collectors; solar water heaters.
2.		SDC	MyIPO	TM2023010223	Malaysia	22 April 2023 (1)	Class 37 - Advisory services relating to the installation of building automation equipment; advisory services relating to the maintenance of buildings; air-conditioning system installation and repair; construction services relating to the installation of heating, ventilating and air-conditioning systems; installation and maintenance of heating systems; installation and maintenance of solar thermal installations; installation and repair of air-conditioning systems; installation and repair of heating equipment; installation and repair of heating, ventilating and air-conditioning systems; installation of building automation equipment; installation of heating systems; installation of heating, ventilation and air-conditioning [HVAC] systems; installation of HVAC systems;

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Trademark	Applicant	Authority	Application No.	Place of registration	Application date	Class/ Description of trademark
							installation of heating, ventilation and air-conditioning systems; installation of solar heating systems; installation, maintenance and repair of automation systems; installation, maintenance and repair of boiler systems and solar energy systems; installation, maintenance and repair of building automation equipment; installation, maintenance and repair of electrical and electronic apparatus for use in the field of automation; installation, maintenance and repair of heating systems; installation, maintenance and repair of photovoltaic modules; installation, maintenance and repair of solar collectors; installation, maintenance and repair of solar energy systems; installation, maintenance and repair of solar installations for generating power, solar collectors and photovoltaic modules; maintenance and repair of heating installations; retrofitting of heating installations in buildings.

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Trademark	Applicant	Authority	Application No.	Place of registration	Application date	Class/ Description of trademark
3.	Tri-IO Tri-IO	SDC	MyIPO	TM2023010224	Malaysia	12 April 2023 (2)	Class 9 - Building automation control systems; computer hardware and software; electric control devices for energy management; electric control devices for heating management; electrical energy utilization metering devices; energy meters for tracking and monitoring energy usage.
4.	Tri-IO Tri-IO	SDC	MyIPO	TM2023010225	Malaysia	22 April 2023 (2)	Class 37 - Advisory services relating to the installation of building automation equipment; advisory services relating to the maintenance of buildings; air-conditioning system installation and repair; construction services relating to the installation of heating, ventilating and air-conditioning systems; installation and maintenance of heating systems; installation and maintenance of solar thermal installations; installation and repair of air-conditioning systems; installation and repair of heating equipment; installation and repair of heating, ventilating and air-conditioning systems; installation of building automation equipment; installation of heating systems; installation of heating, ventilation and air-conditioning HVAC systems; installation of HVAC systems; installation of heating, ventilation and

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Trademark	Applicant	Authority	Application No.	Place of registration	Application date	Class/ Description of trademark
							air-conditioning systems; installation of solar heating systems; installation, maintenance and repair of automation systems; installation, maintenance and repair of boiler systems and solar energy systems; installation, maintenance and repair of building automation equipment; installation, maintenance and repair of electrical and electronic apparatus for use in the field of automation; installation, maintenance and repair of heating systems; installation, maintenance and repair of photovoltaic modules; installation, maintenance and repair of solar collectors; installation, maintenance and repair of solar energy systems; installation, maintenance and repair of solar installations for generating power, solar collectors and photovoltaic modules; maintenance and repair of heating installations; retrofitting of heating installations in buildings.

Notes:

- (1) *The trademark application had been temporarily rejected via a refusal notice dated 2 October 2023 issued by MyIPO. We have on 29 November 2023 submitted an appeal against the provisional refusal notice and the decision from MyIPO is still pending as at the LPD.*
- (2) *The trademark application had been accepted by MyIPO on 17 November 2023 and published on 23 November 2023. There is an opposition period between 23 November 2023 to 22 January 2024 whereby if there is no objection to the said trademark, a notification of the registration of the trademark would be issued.*

6. INFORMATION OF OUR GROUP (CONT'D)

6.10 MATERIAL LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals for our operations as at the LPD together with the main conditions attached therein and the corresponding status of compliance as at the LPD are as follows:

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance
1.	SDC	Majlis Perbandaran Kajang / MPKJ/CL/1/292/2018*	Trade, business and industries licence for management office and illuminated advertisement at Wisma SDC, No. 25, Jalan Kajang Perdana 3/2, Taman Kajang Perdana, 43000 Kajang Selangor	28 August 2023 / 27 August 2024	(a) MPKJ reserves the right to terminate the licence at any time; (b) SDC shall comply with all the conditions and restrictions imposed by MPKJ; (c) The licence must be renewed before the expiry date and can be renewed three (3) months before the expiry date.	Noted Complied Noted
2.	SDC	CIDB / 0120090224-SL122194	CIDB certificate of registration in respect of: a. Grade G7 – No limit on grade and limit of tender/ value of work b. Category - Building Construction, Civil Engineering Construction, Mechanical and Electrical Engineering This certificate allows SDC to carry out the following work scope:	6 September 2022 / 17 April 2024	<u>General Terms and Conditions:</u> (a) The certificate is non-transferrable; (b) CIDB reserves the right to review the registration grade of SDC from time to time. <u>Responsibilities and obligations of SDC:</u> (a) SDC shall comply with the provisions of the CIDB Act, the regulations made thereunder and any term, conditions or restriction imposed by CIDB from time to time; (b) SDC shall not participate in any tender or execute any construction after the	Noted Noted Complied Complied

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval		Date of issue / Date of expiry	Material conditions	Status of compliance
			Code No.	Details			
			B04	General building construction works		expiry of this certificate and until such time this certificate has been renewed;	
			CE21	Construction of civil engineering		(c) SDC shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not execute any construction project which is outside the registered category;	Complied
			E02	Surveillance and security system		(d) SDC shall submit information in relation to any new construction work or project within fourteen (14) days from the award of construction work or project;	Complied
			E03	Building automation system		(e) SDC shall submit any information required by CIDB from time to time;	Complied
			E06	Special lighting system		(f) SDC shall display the original or the certified true copy of the certificate of registration issued by CIDB at its place of business;	Complied
			E10	Uninterrupted power supply system		(g) SDC shall display its registration number on the signboard at each construction site;	Complied
			E11	General electrical work		(h) SDC shall apply for renewal of registration within sixty (60) days prior to the expiry date as specified in this certificate;	Complied
			E14	Computer network cable		(i) SDC shall comply with all the requirements and provisions of the code of ethics for contractors;	Complied
			E16	Street lights and traffic lights			
			E17	Low voltage underground cables			
			M01	Air conditioning and ventilation system			

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance								
			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center;">M04</td> <td>Building automation system</td> </tr> <tr> <td style="text-align: center;">M15</td> <td>Installation, testing and commissioning of various mechanical system</td> </tr> <tr> <td style="text-align: center;">M18</td> <td>Hot water system</td> </tr> <tr> <td style="text-align: center;">M20</td> <td>General mechanical maintenance</td> </tr> </table>	M04	Building automation system	M15	Installation, testing and commissioning of various mechanical system	M18	Hot water system	M20	General mechanical maintenance		<p>(j) SDC shall appoint skilled construction workers and site supervisors who are accredited and certified by CIDB; and</p> <p>(k) All the workers at the construction site must have a valid CIDB Green Card.</p>	<p>Complied</p> <p>Complied</p>
M04	Building automation system													
M15	Installation, testing and commissioning of various mechanical system													
M18	Hot water system													
M20	General mechanical maintenance													
3.	SDC	SEDA-RPVI-2024/002	Certificate of registration of registered solar PV Investor which qualifies SDC to take part in the Net-Energy Metering Program administered by SEDA	5 January 2024 / 31 December 2024	The registration must be renewed at least thirty (30) days before the expiry date.	Noted								
4.	SDC	Energy Commission / ESCO 238(2020)/77/2023	Certificate of registration of Energy Service Company	8 June 2023 / 7 June 2026	<p>(a) The renewal of the certificate must be made not less than one (1) month before the date of expiry of the registration.</p> <p>(b) The Energy Commission may cancel the certificate if:</p> <p style="margin-left: 20px;">(i) SDC ceases to carry on the business in respect of which SDC is registered;</p> <p style="margin-left: 20px;">(ii) SDC has been adjudicated a bankrupt;</p>	<p style="text-align: center;">Noted</p> <p style="text-align: center;">Noted</p>								

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>
					(iii) SDC goes into liquidation.	Noted
					(c) The certificate cannot be transferred without prior written approval from the Energy Commission;	Noted
					(d) Any change of name, address and other details of the business or company stated in the certificate must be informed in writing to Energy Commission within fourteen (14) days of such change.	Noted
					(e) In the event of any change or replacement of an appointed registered electrical energy manager, SDC shall ensure that a new registered electrical energy manager be appointed to effect such change or replacement and shall notify in writing to Energy Commission within fourteen (14) days of such change or replacement.	Complied
					(f) All electrical works in relation to the energy services provided by SDC must be performed by competent persons in accordance with the Electricity Supply Act 1990 and the Electricity Regulations 1994.	
5.	SDC	Ministry of Finance/ Certificate No. K63434378023277624	Certificate of registration – Provision of supply and service under the following codes:	20 July 2022/ 15 August 2025	<u>General Conditions:</u> (i) This approval is given based on the information provided by SDC.	Noted
					(ii) Any changes to the said information should be updated online in the Profile	Complied

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>												
		Registration Reference No. 357- 02151032	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Code No.</th> <th style="text-align: center;">Details</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">010501</td> <td>Publishing and broadcasting/ photography and film/ camera and accessories</td> </tr> <tr> <td style="text-align: center;">020804</td> <td>Furniture, office equipment, interior and domestic decoration/ clothing and accessories/ safety clothing, equipment and accessories</td> </tr> <tr> <td style="text-align: center;">050101 and 050102</td> <td>Hospital and medical equipment, medication and pharmaceutical/ hospital equipment, medical material and equipment/ equipment/ medical equipment</td> </tr> <tr> <td style="text-align: center;">100101</td> <td>Measuring and measurement equipment/all measuring equipment</td> </tr> <tr> <td style="text-align: center;">120401</td> <td>Defense and safety/ security and</td> </tr> </tbody> </table>	Code No.	Details	010501	Publishing and broadcasting/ photography and film/ camera and accessories	020804	Furniture, office equipment, interior and domestic decoration/ clothing and accessories/ safety clothing, equipment and accessories	050101 and 050102	Hospital and medical equipment, medication and pharmaceutical/ hospital equipment, medical material and equipment/ equipment/ medical equipment	100101	Measuring and measurement equipment/all measuring equipment	120401	Defense and safety/ security and		<p>Update Module at www.eperolehan.gov.my within twenty-one (21) days from the date of such change and failure to do so may result in action being taken as described in paragraph (e) below.</p> <p>(iii) SDC must submit all such information within the stipulated time as requested by the Ministry of Finance of Malaysia (“MOF”). Failure to do so will result in action being taken as described in paragraph (e) below.</p> <p>(iv) SDC must ensure that the fields registered in the certificate do not overlap with the fields approved on any of the companies as follows:</p> <p style="margin-left: 20px;">(i) has the same owner or board of directors, directors, management and employees; or</p> <p style="margin-left: 20px;">(ii) operating on the same premises</p> <p>(v) The MOF reserves the right to visit or perform audit inspection at any time without prior notice. Failure to comply with the conditions of registration, field code and/or registration may result in suspension/revocation of registration</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
Code No.	Details																	
010501	Publishing and broadcasting/ photography and film/ camera and accessories																	
020804	Furniture, office equipment, interior and domestic decoration/ clothing and accessories/ safety clothing, equipment and accessories																	
050101 and 050102	Hospital and medical equipment, medication and pharmaceutical/ hospital equipment, medical material and equipment/ equipment/ medical equipment																	
100101	Measuring and measurement equipment/all measuring equipment																	
120401	Defense and safety/ security and																	

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>
			enforcement equipment/ safety devices, protection and protection control		and SDC, the owner as well as the board of directors/director are subject to disciplinary action including being blacklisted without any notice if any information provided is found to be incorrect.	
		130301	Engineering equipment and production machine/ sewerage system/ sewerage system equipment and accessories		(vi) A newly registered company is not allowed to make any changes to the owner or director during the period of six (6) months from the date the company is registered.	Complied
		130201	Engineering equipment and production machines/ electric power and generator equipment/ spare parts and batteries/ power, equipment/ replacement tools/ accessories (secondary)		(vii) Failure of SDC to apply for renewal of registration after one (1) year from the expiry date of the registration may result in the registration of SDC with the MOF to be automatically cancelled and withdrawn from e-Perolehan system. SDC must then make a new application.	Noted
		140201	Electrical and electronic engineering equipment/ electric power station and generator		<u>Suspension/revocation of registration</u> (a) SDC's registration will be suspended/revoked in the event that SDC commits the following offences: (i) Company/ owner/ partnership/ director/ any of the management team commits a crime and is found	Noted

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>
			equipment/ spare parts and batteries/ power stations, equipment/ replacement tools /accessories (primary)		guilty by the court in Malaysia or overseas or undertaking civil liability.	
		140301	Electrical and electronic engineering equipment/ cables, electric wires and accessories/ electric cables and accessory		(ii) SDC withdraws its offer before the tender is considered or rejects once offer is made.	
		140302	Electrical and electronic engineering equipment/ cables, electric wires and accessories/ electric cables and accessory		(iii) SDC fails to fulfil its contractual obligations signed with the Government.	
		220301	Service/ maintenance/ repair works of air condition equipment / air condition (window/ split/ centralised)		(iv) SDC is found to amend the Certificate of Registration of Company for the purpose of fraud or other purposes.	
		221304	Services/ arts, entertainment and		(v) SDC allows its Certificate of Registration of Company to be misused by another individual/company.	
					(vi) SDC if found to have entered into bargains with other companies upon entering into a Government tender or subcontract without prior consent of the Government agency involved.	

6. INFORMATION OF OUR GROUP (CONT'D)

No.	Licensee	Approving authority / Registration no.	Description of licence / permit / approval	Date of issue / Date of expiry	Material conditions	Status of compliance						
			<table border="1"> <tr> <td></td> <td>tourism/ audio visual</td> </tr> <tr> <td>221511</td> <td>Services/ rental and management of public address system and musical instrument</td> </tr> <tr> <td>222801</td> <td>Services/ green technology services/ green technology</td> </tr> </table>		tourism/ audio visual	221511	Services/ rental and management of public address system and musical instrument	222801	Services/ green technology services/ green technology		<p>Renewal</p> <p>(a) SDC must submit the renewal application three (3) months prior to the expiry date.</p> <p>(b) Applications received after the expiry date are considered renewal registration.</p>	<p>Complied</p> <p>Noted</p>
	tourism/ audio visual											
221511	Services/ rental and management of public address system and musical instrument											
222801	Services/ green technology services/ green technology											
6.	KED	Majlis Perbandaran Kajang / MPKJ/CL/1/568/2023#	Trade, business and industries licence for management office at No. 25, Jalan Kajang Perdana 3/2, Taman Kajang Perdana, 43000 Kajang Selangor	1 January 2024 / 31 December 2024	<p>(a) MPKJ reserves the right to terminate the licence at any time;</p> <p>(b) KED shall comply with all the conditions and restrictions imposed by MPKJ;</p> <p>(c) The licence must be renewed before the expiry date and can be renewed three (3) months before the expiry date</p>	<p>Complied</p>						
7.	KED	CIDB / 0120160415- WP173331	<p>CIDB certificate of registration in respect of:</p> <p>a. Grade G4 – Tender limit/ value of work not exceeding RM3,000,000.00</p> <p>b. Category – Building Construction, Civil Engineering Construction,</p>	2 August 2023 / 13 April 2025	<p>General Terms and Conditions:</p> <p>(a) The certificate is non-transferrable;</p> <p>(b) CIDB reserves the right to review the registration grade of KED from time to time.</p> <p>Responsibilities and obligations of KED:</p>	<p>Noted</p> <p>Noted</p>						

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>
			Mechanical and Electrical Engineering This certificate allows KED to carry out the following work scope:		(a) KED shall comply with the provisions of the CIDB Act, the regulations made thereunder and any term, conditions or restriction imposed by CIDB from time to time;	Noted and complied
					(b) KED shall not participate in any tender or execute any construction after the expiry of this certificate and until such time this certificate has been renewed;	Noted and complied
					(c) KED shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not execute any construction project which is outside the registered category;	Complied
					(d) KED shall submit information in relation to any new construction work or project within fourteen (14) days from the award of construction work or project;	Complied
					(e) KED shall submit any information required by CIDB from time to time;	Noted and complied
					(f) KED shall display the original or the certified true copy of the certificate of	Noted and complied

Code No.	Details
B04	General building construction works
CE21	Construction of civil engineering
M15	Installation, testing and commissioning of various mechanical systems

6. INFORMATION OF OUR GROUP (CONT'D)

<u>No.</u>	<u>Licensee</u>	<u>Approving authority / Registration no.</u>	<u>Description of licence / permit / approval</u>	<u>Date of issue / Date of expiry</u>	<u>Material conditions</u>	<u>Status of compliance</u>
					registration issued by CIDB at its place of business;	
					(g) KED shall display its registration number on the signboard at each construction site;	Noted and complied
					(h) KED shall apply for renewal of registration within sixty (60) days prior to the expiry date as specified in this certificate;	Noted and complied
					(i) KED shall comply with all the requirements and provisions of the code of ethics for contractors;	Noted and complied
					(j) KED shall appoint skilled construction workers and site supervisors who are accredited and certified by CIDB; and	Noted and complied
					(k) All the workers at the construction site must have a valid CIDB Green Card.	Noted and complied

6. INFORMATION OF OUR GROUP (CONT'D)

6.11 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below.

6.11.1 Electricity Supply Act 1990 (“Electricity Supply Act”)

The Electricity Supply Act, including the Electricity Regulations 1994 regulates the electricity supply industry, the supply of electricity, the licensing of electrical installation, the control of electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity. It provides that, subject to exemptions prescribed, no person other than a supply authority shall use, work or operate or permit to be used, worked or operated any installation or supply to any other person energy from any installation, except under and in accordance with the terms of a licence granted by the Energy Commission and expressly authorising the supply or use. Any person who supplies electricity from an installation to or for the use of any person without a licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

The Electricity Regulations 1994 also states that any Electrical Services Engineer, Competent Electrical Engineer, Electrical Supervisor, Chargeman, Wireman or Cable Jointer referred to in the Electricity Regulations 1994 shall possess a valid Certificate of Competency appropriate to such category, with restrictions, if any, issued to him by the Energy Commission.

As at the LPD, our subsidiary, SDC is certified by the Energy Commission as an Energy Service Company. Our employee who is categorised as Registered Electrical Energy Manager fall under the requirements of the Electricity Regulations 1994 and has been certified in accordance with the Electricity Regulations 1994.

6.11.2 Renewable Energy Act 2011 (“REA”)

The REA provides for the establishment and implementation of a special tariff system to catalyse the generation of renewable energy.

In line with the introduction of the NEM programme, the Energy Commission had issued the Guidelines for Solar Photovoltaic Installation on Net Energy Metering Scheme (“**NEM Guidelines**”) under the Electricity Supply Act to implement the solar photovoltaic installation on the NEM programme. The NEM Guidelines set out, amongst others, the design criteria and requirement, the types of installation, capacity limit and application process of solar PV installations under the NEM programme.

As at the LPD, our subsidiary, SDC is certified by SEDA as a Solar Photovoltaic Investor under the NEM programme.

6.11.3 Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (“CIDB Act”)

- (a) The CIDB Act provides that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. There are 4 categories of registration, namely building construction, civil engineering, mechanical and electrical and facility. The scope of registration may further be classified into the following 7 grades with each grade having different tendering capacity.

As at the LPD, our subsidiary, SDC holds a valid Grade G7 certificate of registration issued under the CIDB Act, which enables SDC to tender for contracts with no limits on the value of the construction works.

6. INFORMATION OF OUR GROUP (CONT'D)

As at the LPD, our subsidiary, KED holds a valid Grade G4 certificate of registration issued under the CIDB Act, which enables KED to tender for contracts with a tender value of construction works not exceeding RM3,000,000.00.

KED previously held a valid Grade G3 licence, but had undertaken construction projects exceeding the value of the RM1.00 million limit for Grade G3 licence. The projects were awarded to KED by SDC and were initially under the value of RM1.00 million, however the total project value exceeded RM1.00 million subsequently due to several variation orders issued by SDC. The projects have been completed on 16 November 2020 and 10 June 2022. CIDB has approved the upgrade of KED's CIDB Grade G3 licence to CIDB Grade G4 licence on 1 August 2023 and there was no penalty imposed by CIDB. Our Group had on 11 September 2023 implemented policies and procedures to ensure that we are in compliance with the provisions of the CIDB Act, the rules and regulations made thereunder and any terms, conditions or restrictions imposed by CIDB from time to time undertaken as part of our Group's project department's standard operating procedures.

- (b) The CIDB Act also sets out that every contractor shall declare and submit to the CIDB, any contract which the contractor has been awarded on any construction works. For every such contract having a contract sum of above RM50,000.00, the contractor shall be liable to pay to the CIDB a levy at the rate of a quarter per centum of the contract sum.

Any contractor who, without reasonable cause, fails to comply with the directives issued by CIDB, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 and in respect of a continuing failure to comply, an additional fine not exceeding RM10,000 for everyday or part of a day during which the offence continues after conviction.

In the past, SDC and KED only declared and submitted to CIDB awarded contracts when requested by their customers, as they were not aware that they have an obligation as subcontractors to make such declarations and submissions to CIDB. Upon becoming aware of the requirements to do so, SDC and KED had on 3 August 2023, 7 August 2023, 8 August 2023, 8 September 2023, 11 September 2023, 16 October 2023 and 29 November 2023 made the notification and submission onto the CIDB portal. SDC had also on 20 May 2022, received a compound from CIDB for the failure to declare and submit a project to CIDB. SDC had on 7 June 2022 made the necessary payment for the compound. The management of our Group has implemented the policies and procedures on 11 September 2023 for the declaration to CIDB of any construction works undertaken as part of our Group's project department's standard operating procedures.

SDC had previously inadvertently failed to undertake the necessary levy payments to CIDB due to management oversight for the recent projects where they acted as the main contractors. SDC had on 23 August 2023 and 2 October 2023 made the necessary levy payments. The management of our Group has implemented the policies and procedures on 11 September 2023 to ensure the necessary levy payments to be payable to CIDB in a timely manner as part of our Group's project department's standard operating procedures.

6.11.4 Local Government Act 1976 ("LGA")

Section 102 of the LGA provides that local authorities are empowered to make, amend and revoke the by-laws.

As our Group primarily carries out its business in Kajang, Selangor, our Group is under the jurisdiction of the Kajang Municipal Council ("MPKj") and the relevant by-laws governing the conduct of our Group's business would be the Licensing, Business Trade and Industrial By-Law (MPKj) 2007 ("By-laws").

6. INFORMATION OF OUR GROUP (CONT'D)

By virtue of the By-laws, no person shall operate any activity of trade, business and industry or use any place or premise in the local area of MPKj for any activity of trade, business and industry without a licence issued by the licensing authority of MPKj. A contravention of the By-laws would result in an offence, which upon conviction, would result in a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

KED had previously carried out their business without a trade, business and industries licence as it was unaware that it was required to apply for said licence, since it was operating in the same premise as SDC, which had already obtained a trade, business and industries licence. KED has obtained its trade, business and industries licence with MPKj on 19 July 2023. Moving forward, the management of our Group will continue to observe our existing monitoring list and has implemented licences and permit monitoring policies and procedures on 1 September 2023 to ensure that our Group renews the relevant licences and permits on a timely basis.

As at the LPD, our Group holds and maintains valid business licences issued by the MPKj.

6.12 EMPLOYEES

As at the LPD, the Group has a total workforce of 52 employees, all of whom are Malaysians consist of 51 permanent employees and 1 contract employee. We do not have any foreign workers employed within our Group.

The breakdown of the Group's workforce for FY Under Review and as at the LPD is as follows:

Department	Employees			
	FY 2020	FY 2021	FY 2022	As at the LPD
Executive Directors	2	2	2	2
Finance and Administration	4	3	4	5
Project	12	12	12	14
• Project Directors	-	-	-	2
• Project managers	2	2	2	1
• Project engineers	7	6	5	8
• Project executives	3	2	3	2
• Project supervisors	-	2	2	2
Technical and Servicing	16	16	19	25
• Technical Director	-	-	-	1
• Technical managers	-	-	1	2
• Technical engineers	6	6	7	7
• Technical executives	10	10	11	15
Business Development	6	5	3	5
Total	40	38	40	53

As at the LPD, the number of employees holding relevant engineering qualifications are as follows:

Department	No. of employees
Executive Directors	2
Finance and Administration	1
Project	10
Technical and Servicing	9
Business Development	3
Total	25

None of our employees belong to any labour union for the FY Under Review and up to the LPD. There has been no industrial dispute between our management and our employees.

6. INFORMATION OF OUR GROUP (CONT'D)

6.13 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

SDCG will be proactive in the face of disruptive events and sees them as opportunities to create value for stakeholders.

Our Board takes cognisance of the sustainability governance as set out in the Bursa Securities' ACE Market Listing Requirements in Relation to Sustainability Reporting Framework, Bursa Securities' Sustainability Reporting Guide (3rd Edition) and Malaysian Code on Corporate Governance 2021.

Our Group has adopted some Environment, Social and Governance practices in ensuring environmentally responsible operations, conducting business responsibly and providing conducive workplaces for employees.

Our Board oversees the governance of the Group's sustainability matters. While the senior management team is responsible for overseeing the implementation of sustainability-related initiatives within the purview of their respective departments. The senior management team is responsible for executing, monitoring and reporting sustainability-related initiatives which assist senior management in making informed decisions to achieve the Group's sustainability goals.

We are committed to setting up an overall Sustainability Framework for the Group based on the following guidelines and standards;

- (i) Bursa Securities' ACE Market Listing Requirements in Relation to Sustainability Reporting Framework;
- (ii) Bursa Securities' Sustainability Reporting Guide (3rd Edition);
- (iii) Malaysian Code on Corporate Governance 2021;
- (iv) Global Reporting Initiative ("GRI"); and
- (v) United Nations Sustainable Development Goals ("UNSDG")

In terms of implementing and managing Sustainability matters, we are and will focus on the following:

Environmental Practices:

- (i) We prioritise the use of eco-friendly materials and components in our solar hot water systems.
- (ii) The Group is implementing strategies to minimise waste generation during installation processes and also promote efficient waste management practices such as reducing, reusing, and recycling in our office premises.
- (iii) We aim to minimise our energy consumption and carbon footprint of the Group's operations and supply chain.
- (iv) While our water usage is limited, we are resolute in our endeavour to further decrease overall water consumption through proactive water conservation practices.

Social Practices:

- (i) The Group places significant emphasis on the health and safety of our employees by ensuring safe working conditions, these measures encompass the provision of Personal Protective Equipment to our employees at sites and regular cleaning and sanitisation of our workplaces and equipment.

6. INFORMATION OF OUR GROUP (CONT'D)

- (ii) We maintain a discrimination-free workplace where individuals are treated fairly and equitably, irrespective of their race, colour, gender, religion, national origin, age, disability, genetic information, marital status, or any other legally protected classification.
- (iii) Our recruitment process is guided by the principles of fairness and impartiality, emphasising skills and experience as the primary criteria.
- (iv) We foster a culture of growth by conducting transparent and objective annual performance reviews to assess employee performance and provide valuable feedback to our staff.

We offer our employees a range of learning opportunities throughout their careers to ensure they acquire the necessary skills to excel in their roles.

Governance Practices:

- (i) Diversity on our Board remains a key goal, as it brings multifaceted perspectives to decision-making processes. We have also successfully advanced gender balance by appointing accomplished female directors to our board.
- (ii) We involve shareholders, customers, and employees. We address concerns and integrate valuable feedback into our business strategies.
- (iii) We uphold a zero-tolerance policy towards fraud, bribery, corruption, money laundering and the financing of terrorism. Therefore, we have implemented an Anti-Bribery and Corruption Policy and Whistle-blowing policy to enhance the transparency of the group and provide a better governance environment.
- (iv) We have adopted a Personal Data Protection Act Policy, which complies with the Personal Data Protection Act 2010 to protect the personal data we obtain from our customers, suppliers and employees.
- (v) We prioritise the evaluation of quality and safety and have obtained the following certification:

Certificate	Award Body
Grade G7 certification for building construction, civil engineering construction, mechanical and electrical engineering	CIDB
Certificate of registration of registered solar PV Investor which qualifies SDC to take part in the Net-Energy Metering Program administered by SEDA	SEDA

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