



HeveaBoard

Joint Press Release

FOR IMMEDIATE RELEASE

Salcon's Renewable Energy Arm Seal Long-term Solar Power Purchase Agreement (SPPA) with HeveaBoard Berhad

SUBANG JAYA, 22 November 2023 – Salcon Berhad ("Salcon") announced today that its subsidiary, Fortune Command Sdn Bhd ("FCSB"), held through its Renewable Energy ("RE") arm, Inergist Sdn. Bhd. has entered into a Solar Power Purchase Agreement ("SPPA") with HeveaBoard Berhad ("HeveaBoard").

Under the SPPA, FCSB will be responsible for installing the solar photovoltaic ("Solar PV") system with a total capacity of 862.5 kWp on the rooftops of HeveaBoard's particleboard manufacturing premises in Gemas, Negeri Sembilan, on a built-own-operate basis for a duration of twenty-five (25) years. The Solar PV system is expected to become fully operational by the first half of 2024, with the target of generating approximately 26.25 million kWh of clean energy during its operational tenure. This is equivalent to planting over 27,000 trees or reducing average CO² emissions of over 680 tonnes per annum.

Michael Leong, Group Chief Financial Officer of Salcon Berhad, affirmed, "At Salcon, our unwavering commitment lies in delivering excellence and quality while consistently advancing our pursuit in the field of renewable energy. We wish to express our gratitude to HeveaBoard's management team for placing their trust in us since our initial collaboration in 2021 when we partnered for the development of the inaugural solar assets of 1.48 MW at HeveaPac Sdn Bhd.



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We are thrilled to once again join forces with them as we renew our dedication to reducing carbon emissions for a sustainable future.”

“We continue to invest for the future through our dedicated RE arm, Inergist Sdn Bhd. We actively seek collaborations with like-minded partners who share our vision of integrating clean energy solutions into their operations, promoting sustainability, and forging a greener path. This project marks another milestone in contributing an additional stream of sustainable recurring income to the Group,” he added.

Mr Yoong Hau Chun, Group Managing Director of HeveaBoard Berhad, said, “We are committed to environmental sustainability. With the installation of this latest Solar PV system in our particleboard manufacturing facility, the Group will have a total of more than 3.0MWp of Solar Renewable Energy. Among all the Green Energy initiatives undertaken by the Group, solar energy will be the biggest Green initiative of the Group in terms of electricity savings. The utilization of solar energy will not only lower our operational costs, it will also reduce the carbon footprint in our daily business operations.”

The project will be developed under the Net Energy Metering 3.0 (“NEM 3.0”) scheme implemented by Sustainable Energy Development Authority (“SEDA”) Malaysia. Under this scheme, any excess energy generated will be exported via the Supply System to the Distribution Licensee, and credit will be received to offset part of the electricity bill payment of the consumers.



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About Salcon Berhad (Salcon)

Salcon Berhad is an investment holding company with core investments in water and wastewater engineering and construction. Salcon's diversified portfolio includes renewable energy, healthcare, technology services, property development and transportation.

Salcon's renewable energy portfolio has been continuously expanding since 2012, beginning with the 5MW Solar PV systems in the southern UK, followed by the successful commissioning of the 1.48MWp solar generating facilities under the NEM 2.0 on a build-own-operate basis in 2021. Additionally, Salcon was recently awarded a 7.0MW solar PV project under the Corporate Green Power Program ("CGPP") by the Energy Commission in August 2023.



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Today, Salcon's renewable energy portfolio encompasses Solar PV plants in the UK and Malaysia and the construction of a small hydropower plant in Malaysia. Salcon takes pride in being a sustainable organisation with the objective of enhancing long-term shareholders' value.

About HeveaBoard Berhad ("HeveaBoard")

HeveaBoard is a leading producer of particleboard in the Asia Pacific region while its subsidiaries are involved in downstream particleboard-based Ready-to-Assemble furniture manufacturing, trading and distribution of particleboard and wood panel related products. In 2018, HeveaBoard ventured into the cultivation, packing, distribution and trading of *Eryngii* or King Oyster mushrooms as part of its initiative to reduce wastage by using its current by-product as substrate for its gourmet fungi cultivation.