

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

All enquiries concerning the Rights Issue should be addressed to our Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur (Tel No: +603-6201 1120).

This Abridged Prospectus has been registered by the Bursa Securities. The registration of this Abridged Prospectus should not be taken to indicate that Bursa Securities recommends this Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of this Rights Issue. A copy of this Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these Documents.

Approval for this Rights Issue has been obtained from our shareholders at our EGM held on 10 November 2023. Approval has also been obtained from Bursa Securities via its letter dated 11 October 2023 for the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities. The listing of and quotation for the Rights Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have been duly credited with the Rights Shares allotted to them and notices of allotment have been despatched to them. However, the approval from Bursa Securities for the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue.

The Documents are only despatched to Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Thursday, 18 January 2024. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9.11 of this Abridged Prospectus. Our Company, our Principal Adviser and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Rights Shares made by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS ABRIDGED PROSPECTUS.



SC ESTATE BUILDER BERHAD

(Registration No. 200401017162 (655665-T))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 2,148,181,818 NEW ORDINARY SHARES IN SCBUILD/0109 ("SCBUILD/0109 SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.005 PER RIGHTS SHARE ON THE BASIS OF 2 RIGHTS SHARES FOR EVERY 1 SCBUILD/0109 SHARE HELD, AT 5.00 P.M. ON THURSDAY, 18 JANUARY 2024 ("RIGHTS ISSUE")

Principal Adviser and Underwriter



M&A SECURITIES SDN BHD

Registration No. 197301001503 (15017-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Thursday, 18 January 2024 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Friday, 26 January 2024 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Tuesday, 30 January 2024 at 4.30 p.m.
Last date and time for acceptance and payment	: Tuesday, 6 February 2024 at 5.00 p.m.
Last date and time for excess application and payment	: Tuesday, 6 February 2024 at 5.00 p.m.

This Abridged Prospectus is dated 18 January 2024

All terms and abbreviations herein shall have the same meaning as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

M&A SECURITIES SDN BHD, BEING THE PRINCIPAL ADVISER AND UNDERWRITER FOR THIS RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

OTHER STATEMENTS

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES, THE FOLLOWING DEFINITIONS AND ABBREVIATIONS SHALL APPLY THROUGHOUT THIS ABRIDGED PROSPECTUS, NPA AND RSF:

"Abridged Prospectus"	: This Abridged Prospectus issued by SCBUILD/0109 dated 18 January 2024 in relation to the Rights Issue
"Act"	: Companies Act 2016 as amended from time to time including any re-enactment thereof
"Board"	: Board of Directors of SCBUILD/0109
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"By-Laws"	: By-Laws governing the LTIP, as may be amended, modified, altered and/or supplemented from time to time
"CDS Account(s)"	: Central depository system account(s), which is/are a securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the rules of Bursa Depository for the recording of depositors of securities and for dealings in such securities by the depositor
"Closing Date"	: Tuesday, 6 February 2024 at 5.00 p.m., being the last date and time for the acceptance and payment for the Rights Shares and the Excess Rights Shares
"CMSA"	: Capital Markets and Services Act, 2007 and includes any amendments thereto from time to time
"Code"	: Malaysian Code on Take-Overs and Mergers, 2016
"Constitution"	: Constitution of our Company
"Directors"	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the CMSA
"Documents"	: Collectively, this Abridged Prospectus and the accompanying NPA and RSF
"e-RSF"	: Electronic RSF
"EGM"	: Extraordinary general meeting
"Eligible Person(s)"	: Director(s) and employee(s) of SCBUILD/0109 Group who meet the eligibility criteria for participation in the LTIP in accordance with the By-Laws
"Entitled Shareholders"	: Shareholders of SCBUILD/0109 whose names appear in the Record of Depositors of SCBUILD/0109 on the Entitlement Date

DEFINITIONS

"Entitlement Date"	: At 5.00 p.m on Thursday, 18 January 2024 being the time and date which the Entitled Shareholders must appear in the Record of Depositors of SCBUILD/0109 in order to be entitled to participate in the Rights Issue
"EPS"	: Earnings per Share
"Excess Rights Share(s)"	: Rights Share(s) which are not taken up or not validly taken up by the Entitled Shareholder(s) and/or their renounee(s) and/or transferee(s) (if applicable) prior to the Closing Date
"FPE"	: Financial period ended/ending
"FYE"	: Financial year ended/ending
"IMR" or "Protégé"	: Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H))
"IMR Report"	: Independent Market Research Report on the construction and property development industry in Malaysia by Protégé dated 30 December 2023
"LAT"	: Loss after taxation
"LBT"	: Loss before taxation
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"LPD"	: 26 December 2023, being the latest practicable date prior to the issuance of this Abridged Prospectus
"LPS"	: Loss per share
"LTD"	: 7 June 2023, being the last traded day of SCBUILD/0109 Shares prior to the date of the announcement of the Proposals
"LTIP"	: Establishment and implementation of long-term incentive plan of up to 30.0% of our Company's total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP for eligible Directors and employees of SCBUILD/0109 Group, who fulfil the eligibility criteria as set out in the By-Laws. The LTIP comprises of SGP and SOP
"M&A Securities" or "Principal Adviser" or "Underwriter"	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"Market Day(s)"	: A day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday
"NA"	: Net assets
"NPA"	: Notice of provisional allotment of Rights Shares with pursuant to the Rights Issue
"Offer(s)"	: Collectively, the SGP Award(s) and SOP Option(s)

DEFINITIONS

“Option Price”	: The price at which SOP Grantee(s) shall be entitled to subscribe for SCBUILD/0109 Share(s) upon the exercise of the SOP Option(s), as initially determined and as may be adjusted, pursuant to the provisions of the By-Laws
“Proposals”	: Collectively, the Rights Issue and LTIP
“Provisional Allotments”	: Rights Shares provisionally allotted to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (If applicable) pursuant to the Rights Issue
“Record of Depositors”	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
“Rights Issue”	: Renounceable rights issue of 2,148,181,818 Rights Shares at an issue price of RM0.005 per Rights Share on the basis of 2 Rights Shares for every 1 SCBUILD/0109 Share held on the Entitlement Date
“Rights Share(s)”	: 2,148,181,818 new SCBUILD/0109 Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RSF”	: Rights subscription form in relation to the Rights Issue
“Rules”	: The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
“SC”	: Securities Commission Malaysia
“SCBUILD/0109” or “Company”	: SC Estate Builder Berhad (Registration No. 200401017162 (655665-T))
“SCBUILD/0109 Group”	: Collectively, SCBUILD/0109 and its subsidiaries
“SCBUILD/0109 Share(s)” or “Share(s)”	: Ordinary share(s) in SCBUILD/0109
“SGP”	: Share grant plan
“SGP Award(s)”	: The award of such number of SCBUILD/0109 Share(s) to an Eligible Person in the manner and subject to the terms and conditions provided in the By-Laws
“Share Registrar”	: ShareWorks Sdn Bhd (Registration No. 199101019611 (229948-U))
“SICDA”	: Securities Industry (Central Depositories) Act, 1991
“SOP”	: Share option plan
“SOP Grantee(s)”	: Eligible Person(s) who has accepted the SOP Option(s) in the manner provided in the By-Laws

DEFINITIONS (cont'd)

"SOP Option(s)"	:	The award of such number of share option to an Eligible Person to subscribe for SCBUILD/0109 Share(s) at the Option Price in the manner and subject to the terms and conditions provided in the By-Laws
"Surprise Holiday"	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"TERP"	:	Theoretical ex-rights price
"Undertaking"	:	Irrevocable written undertakings provided by the Undertaking Shareholders to subscribe for their entitlement of Rights Shares
"Underwriting Agreement"	:	Underwriting agreement dated 20 November 2023 entered into between our Company and the Underwriter for the underwriting of the remaining 506,364,618 Rights Shares of which no irrevocable and unconditional undertaking has been obtained
"Undertaking Shareholders"	:	Collectively, Takzim Empayar Sdn Bhd, Loh Boon Ginn and SC Estate World Sdn Bhd
"5D-VWAMP"	:	5-day volume weighted average market price

In this Abridged Prospectus, all references to "we", "us", "our" and "ourselves" are to our Company and save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Unless otherwise stated and wherever applicable, the amounts represented in this Abridged Prospectus have been rounded to the nearest whole cent, for ease of reference.

Any reference in this Abridged Prospectus to any statute, guideline, listing requirement or enactment shall be a reference to such statute, guideline, listing requirement or enactment for the time being in force or as amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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ADVISERS' DIRECTORY

- COMPANY SECRETARIES** : **Tan Tong Lang**
(SSM Practicing Certificate No. 202208000250)
(MAICSA 7045482)
- Nurul Syahidah Binti Mat Tahir**
(SSM Practicing Certificate No. 202308000535)
(LS0010742)
- B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
- Telephone number: 03-9770 2200
- PRINCIPAL ADVISER AND UNDERWRITER** : **M&A Securities Sdn Bhd**
- Level 11, No. 45 & 47
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
- Telephone number: 03-2284 2911
- SOLICITORS** : **CY Poon & CM Lim**
- Unit 20-06, 20th Floor
Menara K1
No. 1 Lorong 3/137C
Off Jalan Klang Lama
58200 Kuala Lumpur
- Telephone number: 03-7772 5607
- SHARE REGISTRAR** : **ShareWorks Sdn Bhd**
- No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
- Telephone number: 03-6201 1120

ADVISERS' DIRECTORY (cont'd)

- REPORTING ACCOUNTANTS** : **Ecovis Malaysia PLT (AF 001825)**
- No. 9-3, Jalan 109F
Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
- Telephone number: 03-7981 1799
- Partner's name: Chua Kah Chun
(Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants)
Approved number: 02696/09/2025 J
- INDEPENDENT MARKET RESEARCHER** : **Protégé Associates Sdn Bhd**
- Suite C-09-12, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
- Telephone number: 03-6201 9301
- Executive Director's name: Seow Cheow Seng
(Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia)
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE

THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Information

Summary

Summary

The Rights Issue entails an issuance of 2,148,181,818 Rights Shares at an issue price of RM0.005 for each Rights Share on the basis of 2 Rights Shares for every 1 existing SCBUILD/0109 Share held by the Entitled Shareholders as at the Entitlement Date.

The Rights Shares which are not taken up or invalidly taken up shall be made available for excess applications. Our Board intends to allocate the Excess Rights Shares in a fair and equitable manner in accordance with the procedures set out in **Section 9.8** of this Abridged Prospectus.

Further details are set out in **Section 2.1** of this Abridged Prospectus.

Issue price

Our Board has fixed the issue price of the Rights Shares at RM0.005 each.

Further details are set out in **Section 2.2** of this Abridged Prospectus.

Undertaking and underwriting arrangements

Undertaking

It is the intention of our Company to undertake the Rights Issue on a full subscription basis, where the Rights Issue would entail the issuance of 2,148,181,818 Rights Shares.

Undertaking Shareholders and undertaking amount	:	(i) Takzim Empayar Sdn Bhd	:	RM1.23 million
		(ii) Loh Boon Ginn	:	RM2.30 million
		(iii) SC Estate World Sdn Bhd	:	RM4.69 million

	Direct shareholdings held as at LPD		Direct shareholdings upon completion of the Rights Issue	
	No. of Shares	%	No. of Shares	%
Takzim Empayar Sdn Bhd	122,593,648	11.41	367,780,944	11.41
Loh Boon Ginn	130,000,000	12.10	590,000,000	18.31
SC Estate World Sdn Bhd	93,314,952	8.69	1,029,944,856	31.96

Underwriting arrangement

The Underwriter have entered into an Underwriting Agreement with our Company to underwrite 506,364,618 Rights Shares amounting to RM2.53 million under the Rights Issue. Further details are set out in **Section 2.4** of this Abridged Prospectus.

SUMMARY OF THE RIGHTS ISSUE *(cont'd)*

- Rationale**
- (a) the immediate funding requirement of our Group and the ability of our Group to tap into the equity market on an expedient basis via the Rights Issue to cater for the working capital needs of our Group;
 - (b) the Rights Issue will provide all Entitled Shareholders with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in SCBUILD/0109 Group;
 - (c) the Rights Issue will enable SCBUILD/0109 to issue new Shares without diluting shareholders' equity interests provided that the Entitled Shareholders fully subscribe for their respective entitlements to the Rights Shares under the Rights Issue; and
 - (d) the enlarged capital base upon the completion of the Rights Issue will also further strengthen SCBUILD/0109 Group's financial position and the benefits from the utilisation of proceeds therefrom are expected to improve our Group's future earnings.

Further details are set out in **Section 3** of this Abridged Prospectus.

Utilisation of proceeds	Purposes	RM'000	Expected timeframe
			for utilisation of proceeds (from listing date)
	Working capital	10,241	Within 24 months
	Estimated expenses for the Rights Issue	500	Immediately
	Total	10,741	

Further details are set out in **Section 4** of this Abridged Prospectus.

- Risk factors** You should consider the following risk factors before subscribing for or investing in the Rights Issue:
- (a) our Group may not be able to turnaround our Group's financial performance;
 - (b) our Group faces competition from various construction companies, both existing competitors and/or new market entrants;
 - (c) our Group's profitability may be affected by an increase in fluctuation of construction costs which are inherent risks in the industry; and
 - (d) our Group is dependent on key management and qualifier personnel.

Further details are set out in **Section 5** of this Abridged Prospectus.

Procedures for acceptance and payment You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for each application method in **Section 9**. The last day, date and time for acceptance of and payment for the Provisional Allotments and Excess Rights Shares is on **Tuesday, 6 February 2024 at 5.00 p.m.**, being the Closing Date.

Registration No. 200401017162 (655665-T)



SC ESTATE BUILDER BERHAD
Registration No.: 200401017162 (655665-T)
(Incorporated in Malaysia)

Registered Office:

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur

18 January 2024

Directors:

Loh Boon Ginn (*Chairman and Managing Director/Chief Executive Officer*)
Kuay Jeaneve (*Executive Deputy Chairman*)
Loh Shy Tyug (*Non-Independent Executive Director*)
Loh Shy Ming (*Non-Independent Non-Executive Director*)
Chee Jun Ann (*Non-Independent Executive Director*)
Kuay Jen Nie (*Non-Independent Executive Director*)
YBhg. Dato' Bijaya Indera Dato' Paduka Haji Syed Unan Mashri bin Syed Abdullah (*Independent Non-Executive Director*)
Josipinna Binti Pudun (*Independent Non-Executive Director*)
Loo Tze Ming (*Independent Non-Executive Director*)
Soo Ting Hooi (*Independent Non-Executive Director*)
Chan Wei Xi (*Independent Non-Executive Director*)
Chu Wooi Siong (*Independent Non-Executive Director*)

To: The Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE

1. INTRODUCTION

On 8 June 2023, M&A Securities had, on behalf of the Board, announced that our Company intends to undertake the Proposals.

On 11 October 2023, M&A Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 11 October 2023, granted its approval for the following:

- (a) listing of and quotation for 2,148,181,818 Rights Shares to be issued pursuant to the Rights Issue; and
- (b) listing of and quotation for up to 30.0% of the total issued share capital of SCBUILD/0109 to be issued pursuant to the LTIP.

Bursa Securities' approval-in-principle is subject to the following conditions:

No.	Conditions	Status of compliance
1.	SCBUILD/0109 and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the Rights Issue.	To be complied
2.	SCBUILD/0109 and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue.	To be complied
3.	SCBUILD/0109 to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed.	To be complied
4.	SCBUILD/0109 to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM approving the Rights Issue.	Complied
5.	M&A Securities is required to submit a confirmation to Bursa Securities of full compliance of the LTIP pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation.	To be complied
6.	M&A Securities is required to submit a certified true copy of the resolution passed by the shareholders in general meeting approving the LTIP.	Complied
7.	SCBUILD/0109 is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed, pursuant to the LTIP as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 10 November 2023, our shareholders approved the Proposals at our EGM.

On 26 December 2023, M&A Securities had, on behalf of our Board, announced the Entitlement Date for the Rights Issue and the other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

As at the LPD, SCBUILD/0109 has an issued share capital of RM40,867,506 comprising 1,074,090,909 SCBUILD/0109 Shares. For avoidance of doubt, as at the LPD, SCBUILD/0109 does not have any treasury shares or convertible securities. SCBUILD/0109 has not offered any SGP Awards and SOP Options pursuant to the LTIP as at the LPD. Further details are set out in Section 7.3 of this Abridged Prospectus.

The Rights Issue entails an issuance of 2,148,181,818 Rights Shares at an issue price of RM0.005 for each Rights Share on the basis of 2 Rights Shares for every 1 existing SCBUILD/0109 Share held by the Entitled Shareholders as at the Entitlement Date.

The basis of 2 Rights Shares for every 1 existing SCBUILD/0109 Share held by the Entitled Shareholders on the Entitlement Date was arrived at after taking into consideration, amongst others, the following:

- (a) the amount of proceeds to be raised as set out in Section 4 of this Abridged Prospectus; and
- (b) rationale for the Rights Issue as set out in Section 3 of this Abridged Prospectus.

The Rights Issue will be undertaken on a full subscription basis where the Rights Issue would entail the issuance of 2,148,181,818 Rights Shares to raise gross proceeds of approximately RM10.74 million, based on the issue price of RM0.005 per Rights Share, which will be channelled towards the utilisation as set out in Section 4 of this Abridged Prospectus.

In order to meet the full subscription level, the Undertaking Shareholders had provided their Undertakings and an Underwriting Agreement had been entered into between our Company and the Underwriter for the remaining 506,364,618 Rights Shares for which no undertaking has been obtained. Further details of the Undertakings and underwriting arrangement are set out in Section 2.4 of this Abridged Prospectus.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus, an NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and a RSF which is to be used for the acceptance of the Provisional Allotments, and for the application of any Excess Rights Shares under excess application, should you wish to do so. You may also subscribe for such Provisional Allotments and Excess Rights Shares via e-RSF in accordance with the instructions as set out in Section 9.5.2 of this Abridged Prospectus.

Only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, the rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares will be credited directly into the respective CDS Accounts of the successful applicants.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue. The Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall be made available for excess applications for the Rights Shares.

2.2 Basis and justification of determining the issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM0.005 each after taking into consideration the following:

- (a) the prevailing market conditions and historical share price movement of SCBUILD/0109 Shares;
- (b) funding requirements of our Group as set out in Section 4 of this Abridged Prospectus; and
- (c) the TERP of SCBUILD/0109 Shares, calculated based on the 5D-VWAMP of SCBUILD/0109 Shares up to and including the LTD of RM0.0405 per SCBUILD/0109 Share. The issue price of RM0.005 per Rights Share represents a discount of 70.3% to the TERP of RM0.0168.

The Board is of the opinion that the discount is reasonable, after taking into consideration the following:

- (a) our Group's loss-making position for FPE 31 July 2020 to FPE 31 January 2023;
- (b) the need for our Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage the Entitled Shareholders to subscribe for the Rights Shares; and
- (c) to enable our Group to raise the necessary funds to meet its funding requirements as set out in **Section 4** of this Abridged Prospectus.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing SCBUILD/0109 Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

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2.4 Undertaking and underwriting arrangements

2.4.1 Undertaking

It is the intention of our Company to undertake the Rights Issue on a full subscription basis, where the Rights Issue would entail the issuance of 2,148,181,818 Rights Shares to raise gross proceeds of approximately RM10.74 million, based on the issue price of RM0.005 per Rights Share, which will be channelled towards the utilisation as set out in Section 4 of this Abridged Prospectus ("**Full Subscription Basis**").

The Undertaking Shareholders had provided their Undertakings, the details of which are as follows:

Undertaking Shareholders	Direct shareholdings held as at LPD		Entitlement of Rights Shares		Excess applications		Total subscription		Amount		Direct shareholdings upon completion of the Rights Issue	
	No. of Shares	(a)%	No. of Rights Shares	(b)%	No. of Rights Shares	(b)%	No. of Rights Shares	(b)%	(c)RM'000	(c)RM'000	No. of Shares	(d)%
Takzim Empayar Sdn Bhd	122,593,648	11.41	245,187,296	11.41	-	-	245,187,296	11.41	1,226	1,226	367,780,944	11.41
Loh Boon Ginn	130,000,000	12.10	260,000,000	12.10	200,000,000	9.31	460,000,000	21.41	2,300	2,300	590,000,000	18.31
SC Estate World Sdn Bhd	93,314,952	8.69	186,629,904	8.69	750,000,000	34.91	936,629,904	43.60	4,683	4,683	1,029,944,856	31.96

Notes:

- (a) Based on the existing total number of issued Shares of SCBUILD/0109 of 1,074,090,909 Shares as at the LPD.
- (b) Based on the total number of 2,148,181,818 Rights Shares available for subscription.
- (c) Computed based on the issue price of Rights Share of RM0.005 each.
- (d) Based on the enlarged total number of issued Shares of SCBUILD/0109 of 3,222,272,727 Shares after the Rights Issue.

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The Undertaking Shareholders are not expected to trigger any mandatory take-over offer obligation pursuant to Code and the Rules as a result of the Rights Issue. The Undertaking Shareholders have also confirmed that they will observe and comply at all times with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by our Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

2.4.2 Underwriting arrangement

Our Company had entered into the Underwriting Agreement with the Underwriter to underwrite 506,364,618 Rights Shares, amounting to approximately RM2.53 million, representing approximately 23.6% of the total number of 2,148,181,818 Rights Shares available for subscription.

The underwriting commission payable by our Company is RM0.08 million (which represents approximately 3.0% of the underwritten value) and all related costs in relation to the underwriting arrangement will be fully borne by our Company from the proceeds of the Rights Issue.

For the avoidance of doubt, the Entitled Shareholders and/or their renounees (if any) (excluding the Underwriter), shall be given priority and shall first be allocated with all the excess Rights Shares applied for, if any. Upon completion of such allocation, the Underwriter shall only then apply and be allocated for any remaining number of unsubscribed Rights Shares.

3. RATIONALE

3.1 Rights Issue

The rationale of the Rights Issue is as follows:

- (a) the immediate funding requirement of our Group and the ability of our Group to tap into the equity market on an expedient basis via the Rights Issue to cater for the working capital needs of our Group;
- (b) the Rights Issue will provide all Entitled Shareholders with an opportunity to participate in an equity offering on a pro-rata basis and to increase their equity participation in SCBUILD/0109 Group;
- (c) the Rights Issue will enable SCBUILD/0109 to issue new Shares without diluting shareholders' equity interests provided that the Entitled Shareholders fully subscribe for their respective entitlements to the Rights Shares under the Rights Issue; and
- (d) the enlarged capital base upon the completion of the Rights Issue will also further strengthen SCBUILD/0109 Group's financial position and the benefits from the utilisation of proceeds therefrom are expected to improve our Group's future earnings.

3.2 Fund-raising exercises undertaken in the past 12 months

The Company had not undertaken any other fund-raising exercises in the past 12 months prior to the date of this Abridged Prospectus.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.005 per Rights Share, the gross proceeds to be raised from the Rights Issue will be utilised in the following manner:

Purpose	Notes	RM'000	Timeframe for utilisation (from listing date)
Working capital	(a)	10,241	Within 24 months
Estimated expenses for the Rights Issue	(b)	500	Immediately
Total		10,741	

Notes:

- (a) Our Group intends to allocate proceeds of up to RM10.24 million from the Rights Issue for working capital purposes in the following manner:

Description	RM'000
Payment to subcontractors for our Group's existing construction contract and future construction contracts that may be secured ⁽ⁱ⁾⁽ⁱⁱ⁾	1,000
Payment to suppliers for purchase of building materials such as cement, steel, concrete, bricks and other related building materials for our Group's existing construction contract and future construction contracts that may be secured as well as trading of building materials ⁽ⁱ⁾⁽ⁱⁱ⁾	5,000
Operating and administrative expenses such as staff and directors related expenses (i.e. salaries and statutory contributions), transportation costs, office upkeep costs and day to day operating expenses (i.e. utilities and rental costs)	4,241
Total	10,241

Notes:

- (i) For information, the trade payable turnover period is 282 days for 18-month FPE 31 January 2023. There is no trade payable turnover period for the 9-month FPE 31 October 2023 as the Group has not recorded any trade purchases.
- (ii) The summary of the existing construction contract undertaken by our Group is as follows:

Details of the project	Project owner	Contract value RM'000
Proposed prototyping solar power on the roofs on one unit of terrace/shop houses and financing, building and completion of 28 units of single storey terrace/shop houses ^(a)	Merchant Esteem Sdn Bhd	4,316

Note:

- (a) Merchant Esteem Sdn Bhd is in the midst of preparing and compiling the necessary documents required and the application is targeted to be submitted by May 2024. The existing construction contract has not been

commenced as the necessary approval has not been obtained from Majlis Bandaraya Alor Setar, which is expected by August 2024. The existing construction contract is expected to commence by August 2024 and complete by August 2026.

As at the LPD, there are no amount owing to subcontractors and suppliers for the existing construction contract as it has not been commenced. Our Group intends to utilise RM0.50 million for payment to subcontractors and RM0.50 million for payment to suppliers to be incurred for our Group's existing construction contract. The remaining of RM0.50 million for payment to subcontractors and RM4.50 million for payment to suppliers, respectively will be utilised for our Group's future construction contracts as well as trading of building materials. As at the LPD, our Group has not tendered or secured any future contracts for its construction and trading business.

The actual breakdown of these expenses for future contracts and trading business cannot be determined at this juncture as it will depend on the actual working capital requirements of our Group at the relevant time. As at the LPD, the cash and bank balances of our Group stood at approximately RM0.03 million. Our Group is of the view that the proceeds to be raised from the Rights Issue will improve our Group's cashflow position to fund its existing and future contracts.

- (b) The estimated expenses comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated at RM0.50 million for the Rights Issue. The breakdown of the estimated expenses is as follows:

Description	RM'000
Professional fees and underwriting fees	440
Fees payable to the relevant authorities	40
Printing and advertising fees as well as miscellaneous charges	20
Total	500

Any excess or shortfall of the actual proceeds raised will be adjusted towards or against the utilisation of working capital in the following sequence:

- (i) payment to subcontractors for our Group's existing construction contract and future construction contracts that may be secured;
- (ii) payment to suppliers for purchase of building materials such as cement, steel, concrete, bricks and other related building materials for our Group's existing construction contract and future construction contracts that may be secured as well as trading of building materials; and
- (iii) operating and administrative expenses.

Pending utilisation of proceeds for the abovementioned purposes, the proceeds arising from the Rights Issue will be placed in deposits with licensed financial institutions or short-term money market instruments. Any interest and/or gain derived will be used for our Group's general working capital purposes for day to day operating expenses such as utilities and rental costs.

5. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue:

5.1 Risks relating to our Group's Business

(a) Ability to turnaround our Group's financial performance

Our Group has recorded consecutive LAT of RM3.99 million, RM1.74 million and RM0.75 million in the audited 18-month FPE 31 January 2023, FYE 31 July 2021 and 18-month FPE 31 July 2020, respectively. The consecutive losses were mainly attributed to slow work progress in the construction works due to the impact of COVID-19 pandemic. For the latest unaudited 9-month FPE 31 October 2023, our Group did not recognise any revenue due to delay in construction works by the project owner and our Group did not record any sales from the trading segment. Further details of our Group's historical financial performance are set out in Section 7, Appendix I of this Abridged Prospectus.

To further improve our Group's financial performance, our Group will regularly review our cost structure with an aim of reducing office and administrative expenses for our operations. In addition, our Group has been continuously seeking for opportunities to grow our construction activities via engaging in open tenders. As at the LPD, our Group has yet to engage in any open tenders for construction works.

Notwithstanding our Group's efforts, prospects and future plans, there is no assurance that these plans are able to be implemented without further delays or are able to successfully turnaround the financial performance of our Group in the future. Even if the plans are successful in the near term, there is no assurance that our Group is able to sustain its earnings and maintain a profit making position.

(b) Competition risk

The Malaysian construction industry is competitive, and our Group faces competition from various construction companies, both existing competitors and/or new market entrants. Due to such competitive pressures, our Group's financial performance may be affected by competitive pricing in the process of securing a construction contract.

Some of these competitors and/or new market entrants may possess competitive advantage over our Group in terms of track records and team of skilled and qualified employees. We are exposed to the risk that we may be unable to compete effectively against our existing or future competitors and arising therefrom, our business, financial performance and financial condition may be adversely affected.

(c) Fluctuation in the cost of raw materials

Our Group's profitability may be affected by an increase in fluctuation of construction costs which are inherent risks in the industry. There is no assurance that the prices of raw materials will always remain at current levels moving forward. If there is a sharp increase in the prices of the raw materials, there is no assurance that our Group will be able to pass on such cost increases to its customers by increasing the prices of its building materials without running the risk of losing market share to its competitors.

(d) Dependence on key management and qualified personnel

Our Group's sustainability in the construction and trading business will depend significantly on the abilities, skills and experience as well as continued efforts of our Directors and key management personnel. The loss of any Directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's revenue and profitability.

There is no assurance that our Group will be able to identify, attract and retain skilled personnel from time to time in the future or that any loss of key personnel can be easily and quickly replaced without major disruption to our Group's operations.

(e) Political, economic and regulatory considerations

With the participation of our Group in the construction industry, its business, prospects, financial condition and level of profitability are now subject, to a certain extent, the developments in the economic, political and regulatory environment of Malaysia. Such risks include, economic uncertainties, changes in rules and regulations, interest rate fluctuation, unfavourable monetary and fiscal policy, changes in political leadership and changes in tax laws. Notwithstanding that, our Group will constantly keep abreast with the political, economic and regulatory developments through various media, events and/or seminars, and shall continuously adopt prudent financial management and efficient operating procedures to limit the impact of the aforementioned risks. However, there can be no assurance that any adverse development in the economic, political and regulatory environment in Malaysia will not have any material adverse effect on the business operation and financial performance of SCBUILD/0109.

5.2 Risks relating to the Rights Issue

(a) Capital market risks for the Rights Shares

The market price of the Rights Shares to be issued pursuant to the Rights Issue is subject to fluctuation and will be influenced by, amongst others, the prevailing market sentiments, the volatility of SCBUILD/0109 Shares as well as the business developments and future financial performance of our Group.

There can be no assurance that the market price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities, will be at a level that meets the investment objectives or targets of any subscriber of the Rights Shares.

(b) Failure or delay in the completion of the Rights Issue

The Rights Issue is exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Group and the Principal Adviser, arising prior to the completion of the Rights Issue.

In this respect, pursuant to Section 243 of the CMSA, in the event the Rights Issue is aborted, all monies raised in the Rights Issue will be refunded free of interest within 14 days to the Entitled Shareholders. Monies not paid within 14 days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC.

In the event the Rights Issue is aborted/terminated, and the Rights Shares have been allotted to the Entitled Shareholders, a return of monies to all holders of Rights Shares could only be achieved by way of cancellation of the share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

(c) Potential dilution of existing shareholders' shareholdings

Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or allotment that our Company may make after completion of the Rights Issue will correspondingly be diluted.

(d) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on assumptions made by our Company and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OVERVIEW AND PROSPECTS

The following industry overview and prospects are an extract from the IMR Report and relevantly publicly available economic reports. The profile of the IMR is as follows:

Profile of Protégé

Protégé is an independent market research and business consulting company. Its market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of IMR Report signee, Seow Cheow Seng

Seow Cheow Seng is the Managing Director of Protégé. He has 22 years of experience in market research, having started his career in Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering Automotive, Construction, Electronics, Healthcare, Energy, information technology, Oil and Gas, etc. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd, Malaysia Debt Ventures Berhad and Malaysia Technology Development Corporation Sdn Bhd.

6.1 Overview and outlook of the Malaysian economy

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial market due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies, and emerging market and developing economies (EMDEs).

In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, GDP posted a growth of 4.2% supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (first quarter of 2023: 5.6%; second quarter of 2023: 2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages. Meanwhile, investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Exports remained soft amid prolonged weakness in external demand. This, however, was partially offset by the recovery in inbound tourism. On the supply side, the services, construction and agriculture sectors remained supportive of growth. This was partly offset by the decline in production in the manufacturing sector given the weakness in demand for electrical and electronic products and lower production of refined petroleum products. Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023. The Malaysian economy is estimated to expand by 4.0% in 2023.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2023, Bank Negara Malaysia)

6.2 Outlook and prospects of the construction industry in Malaysia

The construction industry in Malaysia was valued at RM53.44 billion in 2022, which was an increase from RM50.89 billion in the previous year. The construction industry in Malaysia can generally be segmented into the real estate construction market (also known as the property development industry) and the civil engineering and specialised trade work market. Real estate construction refers to the construction of buildings for residential and non-residential purposes. Civil engineering mainly refers to the construction of infrastructures while specialised trade work refers to specialised construction work in building or non-building related project without responsibility for the entire project.

The construction industry in Malaysia is considered to be largely domestic-oriented and is an important component within Malaysia's economy due to its strategic and extensive linkages with the rest of the economy. As such, the Malaysian Government's policies have been accommodative and supportive of the growth in the local construction industry which typically included proposed government projects as part of its development expenditure.

In 2023, the construction industry in Malaysia is expected to expand by 6.3% to RM56.82 billion, supported by infrastructure construction and specialised construction activities. The local construction industry is projected to expand by 6.8% to RM60.69 billion in 2024. As outlined in Budget 2024 ("**2nd Belanjawan MADANI**"), the allocation for development expenditure stands at RM90.0 billion and it is expected to continue driving the growth in the local construction industry. The Malaysian Government's focus on home ownership remains evident in the 2nd Belanjawan MADANI with a total of RM2.47 billion allocated to implement housing projects for the rakyat in 2024. These include a special guarantee fund of RM1 billion to encourage reputable developers to revive identified abandoned projects, RM546 million to continue the implementation of 36 Program Perumahan Rakyat, including a new project in Kluang, Johor, RM358 million to continue 14 Program Rumah Mesra Rakyat involving the construction of 3,500 housing units, RM460 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or the renovation of their existing dilapidated houses, and RM100 million for the maintenance of low- and medium-cost public and private strata housing projects nationwide. Besides that, the Malaysian Government is also providing guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan and intends to propose that property transfer documents involving beneficiaries relinquishing their rights to eligible beneficiaries based on will or faraid or the Distribution Act 1958 will only be subject to a stamp duty of RM10, instead of the previous ad-valorem (based on the value of a transaction that legal documents represent) rate. The Malaysian Government also intends to impose a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in the country as a measure to control property prices. Other notable housing related announcements in the 2nd Belanjawan MADANI are the reduction in the residents' approval threshold for en-bloc sales from 100% to a level consistent with international practices to encourage urban renewal and promote the redevelopment of ageing buildings in the city, as well as the takeover of the development of Bandar Malaysia by the Malaysian Government.

The local construction industry is forecast to expand at a compound annual growth rate ("**CAGR**") of 5.6% from RM56.82 billion in 2023 to RM70.00 billion in 2027 (base year of 2022). Growth within the industry is expected to be supported by broad-based growth across all subsectors. The industry is also expected to be further boosted by the additional RM15 billion in development expenditure for the Twelfth Malaysia Plan ("**12MP**") period (2021-2025) announced in the Mid-Term Review of the 12MP. Further improvement in the residential buildings subsector is expected in line with efforts from the Malaysian Government to increase more affordable housings as outlined under the MADANI Neighbourhood scheme and the Mid-Term Review of the 12MP, and new launching by the private sector. Besides that, the non-residential buildings subsector is expected to be boosted by the implementation of the New Industrial Master Plan ("**NIMP**") 2030 which provides a platform to attract more investments into the country. Meanwhile, strategic infrastructure and utilities projects including ongoing projects such as the Pan Borneo Sabah Highway, the Central Spine Road, and the acceleration of projects under the 12MP are expected to provide further impetus for the growth in the civil engineering subsector.

(Source: IMR Report prepared by Protégé)

6.3 Overview and prospects of property development industry in Malaysia

In Malaysia, the performance of the property development industry is associated with the levels of real estate construction (the construction of residential and non-residential buildings) activities in the country. Real estate construction activities in Malaysia rebounded into positive territory in 2022 as economic activities picked up and consumer sentiment improved following the mass inoculation efforts against coronavirus disease (“**COVID-19**”) and the easing of lockdown measures as the country entered the ‘Transition to Endemic’ phase on 1 April 2022. Total value of real estate construction activities in the country stood at RM24.24 billion in 2022, which was an increase from RM22.94 billion in the previous year. The increase was mainly attributed to the double-digit growth performance in the non-residential buildings subsector, spurred by higher demand for industrial buildings on the back of improvement in private investment and robust domestic economic activities. During the period from 2018 to 2021, real estate construction activities in Malaysia slowed, attributable to high property prices and home ownership issues, as well as the more recent COVID-19 pandemic.

In 2022, the property market in Malaysia saw a 23.6% increase in transaction value and 29.5% increase in transaction volume, with 389,107 units worth RM179.07 billion transacted, compared to 300,497 units worth RM144.87 billion in 2021. This showed an increase of RM34.20 billion year-on-year. Residential properties accounted for largest share of the market both in terms of transaction volume and value. The residential sub-sector recorded 243,190 transaction (62.5% of total transaction volume) worth RM94.28 billion (52.6% of total transaction value). This represents an increase of 22.3% in terms of transaction volume and an increase of 22.6% in terms of transaction value over the previous year. The commercial properties sub-sector recorded 32,809 transactions worth RM32.61 billion in 2022, up from 22,428 transactions worth RM27.94 billion in 2021. In the industrial properties sector, a total of 8,082 transactions worth RM21.16 billion was recorded in 2022, which was an increase from 5,595 transactions worth RM16.96 billion in the previous year.

The property development industry in Malaysia is expected to be driven by factors such as the ongoing major infrastructure developments, continuing push for affordable housing and expansion in economic activities. Ongoing major infrastructure developments across the country are expected to improve connectivity between major townships and stimulate interests among homebuyers, business owners and/or investors in properties surrounding the alignments involved. Notable ongoing infrastructure projects in the country include the Rapid Transit System (“**RTS**”), East Coast Rail Link (“**ECRL**”) and the Pan Borneo Highway in East Malaysia. More infrastructure developments are expected in the near future under the 12MP (2021-2025). There is a continuing push for affordable housing in Malaysia. The Malaysian Government has also continued to focus on home ownership with the National Affordable Housing Council targeting the construction of 500,000 affordable homes by 2025. Meanwhile, the Malaysian economy is also on track to continue its growth ascension. Malaysia’s gross domestic product expanded at a faster pace of 8.7% in 2022 as compared to a growth of 3.3% registered in 2021. The Malaysian economy is projected to expand by 4% in 2023. In 2024, the Malaysian economy is projected to expand by between 4.0% and 5.0%. The introduction of the MADANI Economy policy framework by the Malaysian Government in July 2023 has also charted a course for the nation to become a prominent force in the Asian economy over the next decade. A growing economy can help to drive income and boost consumer sentiment, auguring well for the growth in the property development industry. Nonetheless, a rising interest rate environment does not augur well for the growth of the local property market as it increases the cost of borrowings for both property developers and buyers.

On the supply side, the property development industry is expected to pivot more towards the adoption of property technology. Following the COVID-19 pandemic and the subsequent lockdown measures imposed, property developers have been pushed into re-thinking their strategies towards engagements with potential buyers. There has been a marked rise in digitalisation initiatives by property developers to accelerate the capacity to market products as well as to engage the buyers via online platforms since the start of the COVID-19 pandemic. Besides that, digital marketing involving interactive experiences of property launches and sales

materials are also increasingly common. More usage of digital technology to engage potential buyers remotely is expected in the near future.

On the flip side, the issue of overhang properties remains a primary concern for property developers. The persistent overhang of residential properties may continue to dampen the demand for new properties until the situation improves. According to NAPIC, the residential overhang numbers reduced to 27,746 units worth RM18.41 billion in 2022 as compared to 36,863 units worth RM22.79 billion in 2021. The property overhang situation in Malaysia may affect the sales of properties in the country as investors take a "wait-and-see" stance on anticipation of lower prices. At the same time, property developers grapple with the challenges of clearing existing inventories and this in turn, may lead to the delay or postponement of future property launches.

Moving forward, the property development industry in Malaysia (in terms of total value of real estate construction activities) is expected to register a moderate growth in 2023 as the industry enjoys a higher demand for properties despite a rising interest rate environment and high uncertainty in external environment. The property development industry is projected to keep expanding throughout the remaining forecast period until 2027 with accommodative policies, economic expansion and the rollout of more government driven housing and infrastructure projects providing the impetuses for future growth in the industry. However, a rising interest rate environment poses a headwind for property developers in Malaysia as it can lead to dampened demand for properties. Total value of real estate construction activities in Malaysia is forecast to expand from RM24.99 billion in 2023 to RM29.24 billion in 2027, registering a CAGR of 3.8% (base year of 2022). In 2023, the Malaysian property market is projected to register a total transaction volume of 390,793 and total value of property transactions of RM190.03 billion, reflecting an increase of 0.4% and 6.1% respectively as compared to the figures in 2022. The local property market is projected to register a total transaction volume of 400,563 and total value of property transactions of RM197.63 billion in 2024.

(Source: IMR Report prepared by Protégé)

6.4 Prospects of our Group

Our Group's core business is construction and its related industries including renewable energy on solar power plants, solar power on the roofs, affordable houses, infrastructure works and building material trading. Our Group is also a registered solar PV investor under Sustainable Energy Development Authority (SEDA) for solar power on the roof.

Our Group's main focus in recent years has been in construction activities including construction works and project management services for construction projects comprising of services in designing and building for affordable housing as well as procurement for building materials and labour.

Further thereto, our Group shall continue to seek opportunities to secure new contracts to grow its order book via engaging in open tenders for construction works and/or undertaking joint ventures with strategic partners to bid for larger scale projects.

In addition, our Group is exploring other business opportunities including the acquisition of company(ies) in construction related industries and/or potential ventures into the business of property development, industrialised building system and solar power generation that may contribute positively to our Group's future earnings.

Barring any unforeseen circumstances, the Board after having considered all relevant aspects, including the economy and industry outlook, is cautiously optimistic that our Group's long-term prospects may improve moving forward.

7. EFFECTS OF THE RIGHTS ISSUE

7.1 Share capital

The pro forma effects of the Rights Issue on the issued share capital of our Company are set out below:

	RM	No. of SCBUILD/0109 Shares
Existing issued share capital as at the LPD	40,867,506	1,074,090,909
Issuance of Rights Shares pursuant to the Rights Issue	^(a) 10,740,909	2,148,181,818
Enlarged share capital	51,608,415	3,222,272,727

Note:

(a) Based on the issue price of RM0.005 per Rights Share.

7.2 Earnings and EPS

The Rights Issue is not expected to have any material effect on the earnings and EPS of our Group. However, there will be a dilution in the EPS of our Group due to the increase in the number of Shares in issue arising from the Rights Issue. Notwithstanding that, the Rights Issue is expected to contribute positively to the future earnings of our Group via the utilisation of the proceeds as set out in Section 4 of this Abridged Prospectus.

The potential effects of the Rights Issue on the future consolidated earnings and EPS of our Group will depend on, amongst others, the level of returns generated from the use of proceeds to be raised from the Rights Issue.

For illustration purposes, assuming that the Rights Issue had been completed at the beginning of the 18-month FPE 31 January 2023, the pro forma effects of the Rights Issue on the consolidated losses and LPS are as follows:

	RM'000	⁽ⁱ⁾LPS (sen)
LAT attributable to the owners of our Company for 18-month FPE 31 January 2023 (RM'000)	(3,986)	(0.12)
Less: Estimated expenses for the Rights Issue (which are non-recurring in nature)	(500)	(0.02)
Pro forma loss after taxation attributable to the owners of our Company and LPS	(4,486)	(0.14)

Note:

(i) Based on the enlarged total number of issued Shares of SCBUILD/0109 of 3,222,272,727 Shares after the Rights Issue.

7.3 Convertible securities

As at LPD, SCBUILD/0109 does not have any outstanding convertible securities in issue. Bursa Securities had vide its letter dated 11 October 2023, granted its approval for the listing of and quotation for up to 30.0% of the total issued share capital of SCBUILD/0109 to be issued pursuant to the LTIP. For avoidance of doubt, SCBUILD/0109 will not offer any SGP Awards and SOP Options pursuant to the LTIP before the completion of the Rights Issue.

7.4 NA and gearing

Based on the unaudited consolidated financial statements of SCBUILD/0109 as at 31 October 2023, the proforma effects of the Rights Issue on the consolidated NA and gearing of SCBUILD/0109 are shown below:

	Unaudited as at 31 October 2023	After the Rights Issue
	RM'000	RM'000
Share capital	40,868	^(a) 51,608
Accumulated losses	(7,650)	^(b) (8,150)
Shareholders' Funds/NA	33,218	43,459
No. of Shares ('000)	1,074,091	3,222,273
NA per ordinary share (RM)	0.03	0.01
Interest bearing borrowings ('000)	-	-
Gearing (times)	-	-

Notes:

- (a) After issuance of 2,148,181,818 Rights Shares at the issue price of RM0.005 per Rights Share pursuant to the Rights Issue.
- (b) After deducting estimated expenses for the Rights Issue of RM0.50 million.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital and sources of liquidity

Our Group's working capital is funded through our Group's existing cash and bank balances. As at LPD, we hold cash and bank balances of RM0.03 million. Apart from cash and bank balances, our Group does not have access to any other material unused sources of liquidity as at the LPD.

Our Board is of the opinion that, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus, after taking into consideration the proceeds to be raised from the Rights Issue.

8.2 Borrowings

As at LPD, our Group does not have any outstanding borrowings.

Our Group has not incurred any foreign borrowings/financing. There has not been any default on payments or either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

8.3 Material commitments

As at LPD, our Board confirms that there are no material commitments for capital expenditure, incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

8.4 Contingent liabilities

As at LPD, our Board confirms that there are no contingent liabilities, incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position or business of our Group.

8.5 Material transactions

Our Board confirms that save for the Proposals, there are no other transactions which may have a material effect on our operations, financial position and results since the latest unaudited consolidated financial statements of our Group for the 9-month FPE 31 October 2023.

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares and the procedures to be followed should you and/or your renounee(s) and/or your transferee(s) (if applicable) wish to sell or transfer all or any part of your Provisional Allotments as well as instructions to apply for Excess Rights Shares are set out in this Abridged Prospectus and the accompanying RSF.

You and/or your renounee(s) and/or your transferee(s) (if applicable) are advised to read this Abridged Prospectus, the accompanying RSF and the notes and instructions contained therein carefully. In accordance with the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

9.1 General

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such number of Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Provisional Allotments as well as to apply for the Excess Rights Shares if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of our Company, the Share Registrar's website at <https://www.shareworks.com.my> or on Bursa Malaysia Berhad's website at <https://www.bursamalaysia.com>.

9.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renounee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications to subscribe for the Provisional Allotments or to apply for Excess Rights Shares.

9.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and the Excess Rights Shares is **5.00 p.m. on Tuesday, 6 February 2024.**

Within 5 Market Days after the Closing Date, our Company will make the relevant announcement on Bursa Malaysia Berhad's website in relation to the subscription rate of the Rights Issue and the outcome of the allocation of the Excess Rights Shares, if any.

9.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

9.5 Procedures for acceptance and payment

9.5.1 By way of RSF

Acceptance of and payment for the Provisional Allotment must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not conform to the terms of this Abridged Prospectus, the RSF and the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of the Board.

If you and/or your renounee(s) and/or transferee(s) (if applicable) wishes to accept the Provisional Allotments, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by ordinary post, courier or delivery by hand at the following address:-

ShareWorks Sdn Bhd

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Telephone number: 03-6201 1120
Email : ir@shareworks.com.my

so as to arrive not later than **5.00 p.m. on Tuesday, 6 February 2024.**

If you, your renounee(s) and/or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you, your renounee(s) and/or transferee(s) (if applicable) may obtain additional copies from your stock broker, our Share Registrar at the address stated above, at our registered office or the website of Bursa Malaysia Berhad (<https://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares subscribed by you and/or your renounee(s) and/or transferee(s) (if applicable) will be credited into the CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSF by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares will comprise 100 Rights Shares. The minimum number of Provisional Allotments that can be subscribed for is 1 Rights Share. Fractions of Rights Shares if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit, expedient and in the best interest of our Company.

If acceptance and payment for the Provisional Allotments (whether in full or in part) is not received by our Share Registrar by **5.00 p.m. on Tuesday, 6 February 2024**, being the last time and date for acceptance and payment, you and/or your renounee(s) and/or transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Our Board will then have the right to allot such Rights Shares not taken up to applicants who have applied for Excess Rights Shares in the manner set out in Section 9.8 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "SCBUILD RIGHT ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN. APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE).

9.5.2 By way of electronic submission of the e-RSF

The electronic submission of the e-RSF is available to you, your renounee(s) and/or transferee(s) upon your login to the Share Registrar's Investor Portal at <https://www.shareworks.com.my>. You are advised to read the instructions as well as the terms and conditions of the electronic submission of the e-RSF.

The electronic submission of the e-RSF is available to all Entitled Shareholders who are registered users of the Share Registrar's Investor Portal at <https://www.shareworks.com.my>. You are no longer required to complete and lodge the physical RSF to ShareWorks Sdn Bhd for the Rights Issue, if you have successfully lodged the e-RSF on the acceptance for the Provisional Allotments and the application for Excess Rights Shares by way of electronic submission of e-RSF.

Entitled Shareholders who wish to subscribe for the Rights Shares and apply for the Excess Rights Shares by way of electronic submission of the e-RSF, shall take note of the following:-

- (a) the electronic submission of the e-RSF will be closed at **5.00 p.m on Tuesday, 6 February 2024**. All valid electronic submission of the e-RSF received by the Share Registrar is irrevocable and cannot be subsequently withdrawn;
- (b) the electronic submission of the e-RSF must be made in accordance with the procedures and terms and conditions of the electronic submission of the e-RSF, this Abridged Prospectus and the notes and conditions contained in the RSF. Any incomplete or incorrectly completed e-RSF submitted via the Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of the Board.
- (c) your application for the Rights Shares and Excess Rights Shares must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

Name of Bank: CIMB Bank Berhad
 Name of Account: **SCBUILD RIGHT ISSUE ACCOUNT**
 Bank Account No.: 86-0576079-4

You are required to pay an additional fee of RM15.00 being the stamp duty and handling fee for each electronic submission of the e-RSF.

- (d) All Entitled Shareholders who wish to submit by way of electronic submission of the e-RSF are required to follow the procedures and read the terms and conditions as stated below:-

- (i) Procedures

	Procedures	Action
	User registration	
1.	Register as a user with the Investor Portal	<ul style="list-style-type: none"> • Access the website at https://www.shareworks.com.my. Click Investor Portal. Refer to the online help tutorial for assistance.

		<ul style="list-style-type: none"> • Read and agree to the terms and conditions and confirm the declaration. • Upon submission of your registration, your account will be activated within one working day. • If you have already registered an account with Investor Portal, you are not required to register again.
Electronic submission of e-RSF		
2.	Sign in to Investor Portal	<ul style="list-style-type: none"> • Login with your user ID and password for electronic submission of the e-RSF before the Closing Date.
3.	Complete the electronic submission of e-RSF	<ul style="list-style-type: none"> • Open the corporate exercise "RIGHTS ISSUE FOR SC ESTATE BUILDER BERHAD". • Key in your full name, CDS account number, contact number, the number of units for acceptance of your Rights Shares and Excess Rights Shares (if you choose to apply for additional Rights Shares). • Upload the proof of payment(s) and print your e-RSF for your reference and record. • Ensure all information in the form is accurate and then submit the form.

If you encounter any problems during the registration or submission, please email our Share Registrar at support@shareworks.com.my for assistance.

(ii) Terms and conditions of the electronic submission of the e-RSF

By submitting your acceptance of the Rights Shares and application of the Excess Rights Shares (if applicable) by way of electronic submission of the e-RSF:-

(A) You acknowledge that your submission by way of electronic submission of the e-RSF is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond our control or our Share Registrar and irrevocably agree that if:-

- (i) our Company or our Share Registrar does not receive your electronic submission of the e-RSF; or
- (ii) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted, your electronic submission of the e-RSF will be deemed as failed and not to have been made.

Our Company and our Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your electronic submission of the e-RSF due to the above reasons and you further agree that you may not make any claims whatsoever against us or our Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your electronic submission of the e-RSF.

- (B) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of electronic submission of the e-RSF may be rejected at the absolute discretion of our Board without assigning any reason.
- (C) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.
- (D) You agree that all the Rights Shares to be issued pursuant to the Rights Issue will be allotted by way of crediting the Rights Shares into your CDS Account.
- (E) You agree that our Company and our Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.
- (F) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.
- (G) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by banker's cheque within 15 Market Days from the Closing Date and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

9.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Allotments, provided always that the minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share. Fractions of Rights Shares, if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit, expedient and in the best interests of our Company.

You must complete both Part I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 9.5 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

9.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement in the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT (INCLUDING THE RSF) TO YOUR STOCKBROKER IN RESPECT OF THE PORTION OF THE PROVISIONAL ALLOTMENTS SOLD OR TRANSFERRED. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT IS AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

Renounee(s) and transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers, our Share Registrar or at our registered office. This Abridged Prospectus and the RSF are also available on Bursa Malaysia Berhad's website at www.bursamalaysia.com.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the completed RSF together with the full amount payable on the balance of the Rights Shares applied for to our Share Registrar. Please refer to Section 9.5 of this Abridged Prospectus for the procedures for acceptance and payment.

9.8 Procedure for application for the Excess Rights Shares

9.8.1 By way of RSF

If you wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II). A combined remittance for the Excess Rights Shares can be made together with your entitlements. The completed RSF together with the payment must be received by the Share Registrar no later than **5.00 p.m. on Tuesday, 6 February 2024**, being the last time and date for Excess Rights Shares Applications and payment.

The payment must be made for the exact amount payable for the Provisional Allotments subscribed for and application for Excess Rights Shares. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed in Section 9.5.1 of this Abridged Prospectus are not acceptable.

9.8.2 By way of electronic submission of the e-RSF

You may apply for the Excess Rights Shares via the electronic submission of the e-RSF in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares by following the steps as set out in Section 9.5.2 of this Abridged Prospectus. The electronic submission of the e-RSF for Excess Rights Shares will be made on, and subject to, the same terms and conditions set out in Section 9.5.2 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for Excess Rights Shares in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares, calculated based on the quantum of their respective Excess Rights Shares Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the renounee(s) and/or transferee(s) (if applicable) who have applied for Excess Rights Shares, calculated based on the quantum of their respective Excess Rights Shares applied for.

In the event there is any remaining balance of the Excess Rights Shares after carrying out steps (i) to (iv) set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares until such balance is fully allocated.

Nevertheless, the Board reserves the right to allocate any Excess Rights Shares applied for under Part I(B) of the RSF in such manner as the Board deems fit, expedient and in the best interests of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in step (i) to (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares, in full or in part, without assigning any reason thereto.

Within 5 Market Days after the Closing Date, our Company will make the relevant announcement on Bursa Malaysia Berhad's website in relation to the subscription rate of the Rights Issue and the outcome of the allocation of the Excess Rights Shares, if any.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR RENOUNCEE(S) AND/OR YOUR TRANSFEREE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON BURSA DEPOSITORY'S RECORD AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS FOR EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS FOR EXCESS RIGHTS SHARES, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED BY ORDINARY POST TO THE ADDRESS AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

9.9 Procedures for acceptance by renounee(s) and/or transferee(s)

As a transferee and/or renounee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections

9.3 to 9.8 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of our Company, the Share Registrar's website (<https://www.shareworks.com.my>) or Bursa Malaysia Berhad's website (<https://www.bursamalaysia.com>).

TRANSFEREES AND/OR RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

9.10 Form of issuance

Bursa Securities has already prescribed the securities of our Company listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares shall signify your consent to receiving such Rights Shares as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued. All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of successful applicants.

9.11 Laws of foreign countries or jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so.

The Principal Adviser, our Company and our Directors and officers (collectively, the "**Parties**") would not, in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties do not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable), is or will become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents have not been (and will not be) sent to the Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid Documents.

The Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we will be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. The Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which those Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are or may be subject to;
- (ii) Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- (vi) Foreign Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including, without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying Documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of excess Rights Shares available for excess application by the other Entitled Shareholders.

You and/or your renounee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renounee(s)'s and/or transferee(s)'s entitlement under the Rights Issue or to any net proceeds thereof.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are advised to refer to the ensuing appendices for further information.

Yours faithfully

For and on behalf of the Board

SC ESTATE BUILDER BERHAD



LOH BOON GINN

Ahli Mahkota Kedah

Chairman and Managing Director/Chief Executive Officer

INFORMATION ON OUR COMPANY**1. SHARE CAPITAL**

As at LPD, our issued share capital is RM40,867,626 comprising 1,074,090,909 SCBUILD/0109 Shares.

2. BOARD OF DIRECTORS

The details of our Board are set out below:

Name (<i>Designation</i>)	Age	Address	Nationality
Loh Boon Ginn (<i>Chairman and Managing Director/Chief Executive Officer</i>)	32	No. 2381, Lorong Kelompang Bakar Bata 05100 Alor Setar Kedah	Malaysian
Kuay Jeaneve (<i>Executive Deputy Chairman</i>)	30	Kampung Limbawang Peti Surat 297 89808 Beaufort Sabah	Malaysian
Loh Shy Tyug (<i>Non-Independent Executive Director</i>)	41	No. 2381, Lorong Kelompang Bakar Bata 05100 Alor Setar Kedah	Malaysian
Loh Shy Ming (<i>Non-Independent Non-Executive Director</i>)	34	No. 2381, Lorong Kelompang Bakar Bata 05100 Alor Setar Kedah	Malaysian
Chee Jun Ann (<i>Non-Independent Executive Director</i>)	34	Z Residence B25-02 Jalan Jalil Perwira 2 Bukit Jalil 58200 Kuala Lumpur, W.P. Kuala Lumpur	Malaysian
Kuay Jen Nie (<i>Non-Independent Executive Director</i>)	33	Z Residence B25-02 Jalan Jalil Perwira 2 Bukit Jalil 58200 Kuala Lumpur, W.P. Kuala Lumpur	Malaysian
YBhg. Dato' Bijaya Indera Dato' Paduka Haji Syed Unan Mashri bin Syed Abdullah (<i>Independent Non-Executive Director</i>)	72	2446-Q, Pumpong 05250 Alor Setar Kedah	Malaysian
Josipinna Binti Pudun (<i>Independent Non-Executive Director</i>)	43	B1-13-09, Lakepoint Residence Persiaran Sepang Cyber 11 63000 Cyberjaya Selangor	Malaysian

INFORMATION ON OUR COMPANY (cont'd)

Name (Designation)	Age	Address	Nationality
Loo Tze Ming (<i>Independent Non-Executive Director</i>)	38	G7, Green Bay Cyber Heights Villa 63000 Cyberjaya Selangor	Malaysian
Soo Ting Hooi (<i>Independent Non-Executive Director</i>)	31	28, Jalan Margosa SD10/5L Bandar Sri Damansara 52200 Kuala Lumpur W.P. Kuala Lumpur	Malaysian
Chan Wei Xi (<i>Independent Non-Executive Director</i>)	29	No. 11, Persiaran Bestari 1 Templer Bestari 48000 Rawang Selangor	Malaysian
Chu Wooi Siong (<i>Independent Non-Executive Director</i>)	33	No. 9, Lorong Sentosa 6B Batu Unjur Bayu Tinggi 41200 Klang Selangor	Malaysian

3. HISTORICAL SHARE PRICE PERFORMANCE

The monthly highest and lowest market prices of SCBUILD/0109 Shares traded on Bursa Securities for the past 12 months up to the LPD are as follows:

	High	Low
	RM	RM
2023		
January	0.050	0.040
February	0.055	0.045
March	0.055	0.045
April	0.055	0.045
May	0.050	0.040
June	0.045	0.035
July	0.045	0.030
August	0.050	0.030
September	0.050	0.035
October	0.045	0.035
November	0.045	0.030
December	0.045	0.030
Last transacted market price on the LTD		0.045
Last transacted market price on the LPD		0.035
The last transacted market price of SCBUILD/0109 Shares prior to ex-rights date on 17 January 2024		0.030

(Source: Bloomberg)

INFORMATION ON OUR COMPANY (cont'd)

4. OPTION TO SUBSCRIBE FOR SHARES

As at the date of this Abridged Prospectus, save for the Provisional Allotments, Excess Rights Shares and any Offers to be granted under the LTIP, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus. As at the LPD, our Company has yet to grant any SOP Options and SCBUILD/0109 Shares under the LTIP.

5. MATERIAL CONTRACTS

Save for the Underwriting Agreement, to the best knowledge of our Board, neither SCBUILD/0109 nor its subsidiaries have entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the past 2 years preceding the date of this Abridged Prospectus.

6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, as at the LPD, our Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of our Group and the Board has no knowledge of any proceedings, pending or threatened against our Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of our Group.

(a) In the Court of Appeal Civil Appeal No. W-02(NCC)(A)-900-05/2022

This is an appeal lodged on 13 May 2022 by several purported shareholders of SCBUILD/0109, namely, Terence Cheah Eu Lee, Michael Heng Chun Hong, Koh Boon Poh, Tan Pow Choo @ Wong Seng Eng, Ng Thiam Hock @ Tan Tiam Kiew, Gan Boon Guat, Florence Lim Hui Leng, Kwong Ming Kwei, Yeo Bee Kim, Yap Siew Lynn, See Jovin, Seik Yee Kok (hereinafter referred to collectively as the "**Purported Shareholders**") against SCBUILD/0109 and its 11 directors, namely Loh Boon Ginn, Loh Shy Tyug, Loh Boon Zheng, Loh Shy Ming, Loo Tze Ming, Kuay Jen Nie, Kuay Jeanveve, Chee Jun Ann, Soo Ting Hooi, Josipinna Binti Pudun and Chan Wei Xi against the decision of the High Court granted on 09 May 2022, which dismissed the Purported Shareholders' application for amongst others a declaration that the procedural steps taken in the passing and/or declining the resolutions proposed at the EGM of SCBUILD/0109 held on 18 October 2021 were illegal and unlawful.

The matter has been withdrawn by the Purported Shareholders who have made a decision not to pursue any further action with regards to the appeal notice against SCBUILD/0109 and its 11 directors as set out above. The legal counsel of the Purported Shareholders has on 1 September 2023 filed a notice of withdrawal of appeal dated 30 August 2023 to formally withdraw the appeal notice without seeking any cost orders and without the option to file it again in the future.

(b) Shah Alam High Court Suit No. BA-22NCC-71-06/2022

This legal suit was commenced on 10 June 2022 by 3 directors of SCBUILD/0109, namely Chee Jun Ann, Josipinna Binti Pudun and Loo Tze Ming (hereinafter referred to collectively as the "**Plaintiffs**") against SCBUILD/0109 and 3 of its shareholders, namely, Seik Yee Kok, Seik Thye Kong and Tan Bee Yook (hereinafter referred to collectively as the "**Defendants**"). The purpose of this legal suit includes, amongst others, seeking a declaration that the Notice of Intention to Move Resolutions requiring Special Notice

INFORMATION ON OUR COMPANY (cont'd)

pursuant to Section 206, 311 and 312 of the Act dated 13 May 2021 issued by the 3 shareholders, namely, Seik Yee Kok, Seik Thye Kong and Tan Bee Yook was not exercised in a bona fide manner and therefore is null and void ab initio ("**Enclosure 1**").

The Plaintiffs further filed an interlocutory injunction application to restrain the Defendants (whether by itself, its agents or servants or otherwise) from convening, conducting or taking any steps to convene and conduct an EGM or any adjournment pursuant to the Notice of EGM issued by SCBUILD/0109 dated 27 May 2022 pending the final disposal of the matter ("**the Injunction Application**").

Seik Yee Kok, Seik Thye Kong and Tan Bee Yook being the 3 shareholders of SCBUILD/0109 also filed a striking out application against the Plaintiffs ("**the Striking Out Application**").

The matter has been discontinued by the Plaintiffs. The discontinuation is made on 11 September 2023 without any cost orders imposed and without the option to initiate the legal proceedings again in the future.

7. KEY FINANCIAL INFORMATION**7.1 Historical financial performance**

	Audited			Unaudited	
	(a)18-month FPE 31 July 2020 RM'000	FYE 31 July 2021 (Restated) RM'000	(b)18-month FPE 31 January 2023 RM'000	9-month FPE 31 October 2022 RM'000	9-month FPE 31 October 2023 RM'000
Revenue	7,190	3,351	2,474	4,252	-
LBT	(437)	(1,733)	(3,510)	(1,796)	(1,004)
LAT	(749)	(1,742)	(3,986)	(1,803)	(1,005)
Share capital	31,276	39,855	40,868	40,868	40,868
NA	30,258	37,196	34,223	33,801	33,218
Weighted average no. of Shares in issue ('000)	883,084	972,800	1,073,954	1,074,091	1,074,091
NA per share (RM)	0.03	0.04	0.03	0.03	0.03
Basic LPS (sen)	(0.08)	(0.18)	(0.37)	(0.17)	(0.09)

Notes:

- (a) On 29 April 2020, our Company announced that SCBUILD/0109's FYE had changed from 31 January to 31 July.
- (b) On 22 August 2022, our Company announced that SCBUILD/0109's FYE had changed from 31 July to 31 January.

INFORMATION ON OUR COMPANY (cont'd)**Commentaries:****(i) 9-month FPE 31 October 2023**

For 9-month FPE 31 October 2023, our Group recorded zero revenue which represents a decrease of RM4.25 million or 100.00% as compared to RM4.25 million in the 9-month FPE 31 October 2022. Our Group did not recognise any revenue in the 9-month FPE 31 October 2023 due to the following:

- (a) the project owner has requested to delay the construction works of the existing construction contract due to soft property market conditions and upon obtaining the necessary approval from Majlis Bandaraya Alor Setar. The existing construction contract is expected to commence by August 2024 (the approval from Majlis Bandaraya Alor Setar is expected to be obtained by August 2024) and complete by August 2026. Further details of the existing construction contract are disclosed in Section 4(a)(ii). According to the IMR Report, the property development industry is projected to keep expanding throughout the remaining forecast period (i.e. 2024 till 2027) with accommodative policies, economic expansion and the rollout of more government driven housing and infrastructure projects providing the impetuses for future growth in the industry; and
- (b) our Group did not record any sales from its trading segment due to lack of demand from its customers during this period due to slow down of our customers' construction projects.

Our Group recorded a LAT of RM1.01 million, which represents a decrease of RM0.79 million or 43.89% as compared to the LAT of the 9-month FPE 31 October 2022 of RM1.80 million mainly due to decrease in operating expenses and finance cost by RM0.88 million or 46.81% from RM1.88 million in the 9-month FPE 31 October 2022 to RM1.00 million in the 9-month FPE 31 October 2023, which is in line with the decrease in revenue.

(ii) 18-month FPE 31 January 2023

For 18-month FPE 31 January 2023, our Group recorded a revenue of RM2.47 million or RM1.65 million on an annualised basis. The annualised revenue of RM1.65 million represents a decrease of RM1.70 million or 50.75% as compared to the preceding financial year of RM3.35 million, in which approximately 80.85% of the revenue was contributed by the trading segment. The decrease in revenue was mainly attributed to the slow work progress in the construction works affected by the COVID-19 pandemic since 2020 as construction activities were disrupted due to the imposition of the movement control order until the Malaysian Government announced the transition of COVID-19 into an endemic stage from 1 April 2022. Since the endemic stage, our Group has been actively seeking for new projects for its construction business.

Our Group recorded a LAT of RM3.99 million or RM2.66 million on an annualised basis, which represents an increase of RM0.92 million or 52.87% as compared to the LAT of the preceding financial year of RM1.74 million due to the lower gross profit which is in line with the lower revenue and increase in operating and administration expenses by RM0.30 million or 13.33% from RM2.25 million in FYE 31 July 2021 to RM2.55 million (annualised operating and administration expenses) in the 18-month FPE 31 January 2023 as well as increase in income tax expense by RM0.31 million or 3100.00% from RM0.01 million in FYE 31 July 2021 to RM0.32 million (annualised income tax expense) in the 18-month FPE 31 January 2023.

INFORMATION ON OUR COMPANY (cont'd)

(iii) FYE 31 July 2021

For FYE 31 July 2021, our Group recorded a revenue of RM3.35 million, which represents a decrease of RM1.44 million or 30.06% as compared to the annualised revenue of preceding financial year of RM4.79 million. The decrease in revenue was mainly attributed to slow work progress in the construction works as well as decrease in sales volume of our Group's trading of building materials affected by the COVID-19 pandemic as well as various lockdowns and movement restrictions imposed, where most of the construction activities and development projects were temporarily halted.

Our Group recorded a LAT of RM1.74 million, which represents an increase of RM1.24 million or 248.00% as compared to the annualised LAT of the preceding financial year of RM0.50 million. The increase in LAT was due to lower gross profit of RM0.48 million which is in line with the lower revenue recorded for FYE 31 July 2021, representing a decrease of RM1.62 million as compared to the annualised gross profit of the preceding financial year of RM2.10 million and increase in cost of sales by RM0.18 million or 6.69% from RM2.69 million (annualised cost of sales) in the 18-month FPE 31 July 2020 to RM2.87 million in FYE 31 July 2021 which was mainly contributed by increase in construction cost.

(iv) 18-month FPE 31 July 2020

For 18-month FPE 31 July 2020, our Group recorded a revenue of RM7.19 million or RM4.79 million on an annualised basis. The annualised revenue of RM4.79 million represents a decrease of RM8.84 million or 64.86% as compared to the preceding financial year of RM13.63 million. The decrease in revenue was mainly attributed to slow work progress in the construction works and decrease in the sales volume of our Group's trading of building materials as a result of the COVID-19.

Our Group recorded a LAT of RM0.75 million or RM0.50 million on an annualised basis, which represents a decrease of RM1.87 million or 136.50% as compared to the PAT of the preceding financial year of RM1.37 million. The LAT was due to lower gross profit of RM3.15 million or RM2.10 million on annualised basis as compared to the gross profit of the preceding financial year of RM4.94 million, representing a decrease of RM2.84 million or 57.49%, which is in line with the lower revenue recorded for 18-month FPE 31 July 2020 as explained above.

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INFORMATION ON OUR COMPANY (cont'd)**7.2 Historical financial position**

	Audited			Unaudited
	(a)18-month FPE 31 July 2020 RM'000	FYE 31 July 2021 (Restated) RM'000	(b)18-month FPE 31 January 2023 RM'000	9-month FPE 31 October 2023 RM'000
Non-current assets	23,022	39,383	39,130	39,108
Current assets	1,733	1,733	2,802	1,995
Total assets	24,755	41,116	41,932	41,103
Share capital	31,276	39,855	40,868	40,868
Accumulated losses	(1,018)	(2,659)	(6,645)	(7,650)
Total equity	30,258	37,196	34,223	33,218
Non-current liabilities	933	883	5,127	5,432
Current liabilities	6,153	3,037	2,583	2,453
Total liabilities	7,086	3,920	7,710	7,885
Total equity and liabilities	37,344	41,116	41,932	41,103

7.3 Historical cash flows

	Audited			Unaudited
	(a)18-month FPE 31 July 2020 RM'000	FYE 31 July 2021 (Restated) RM'000	(b)18-month FPE 31 January 2023 RM'000	9-month FPE 31 October 2023 RM'000
Net cash from/(used in)				
Operating activities	22,909	9,347	(4,495)	(961)
Investing activities	(22,620)	(16,550)	81	-
Financing activities	(1,347)	8,324	3,169	977
Net increase/(decrease) in cash and cash equivalents	(1,059)	1,121	(1,245)	16
Cash and cash equivalents at beginning of the year	1,230	171	1,292	47
Cash and cash equivalents at end of the year	171	1,292	47	63

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INFORMATION ON OUR COMPANY (cont'd)

7.4 Impact and value creation of the Proposals to the Company and its shareholders

The Rights Issue will enable the Group to raise additional funding without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs and preserving the Group's cash flow.

As set out in Section 4 of this Abridged Prospectus, the proceeds raised from the Rights Issue will mainly facilitate the Group to finance the working capital requirements for the Group's existing and future construction contracts without relying solely on internally generated funds and/ or bank borrowings, which will allow the Group flexibility in respect of financial allocations for its operational requirements. Such financial flexibility may allow the Group to carry out its operations in a more timely and efficient manner.

Based on the above, the Board is of the view that the intended utilisation of the proceeds from the Rights Issue is expected to contribute positively to the future earnings of the Group and in turn, this would lead to an improvement in the Group's financial position and enhancement in shareholders' value.

Pursuant to the Rights Issue, the EPS/LPS of the Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the issuance of Rights Shares. Further details on the effects of the Proposals on the NA and gearing as well as the earnings and EPS of the Group are set out in Section 7 of this Abridged Prospectus.

The LTIP serves to align the interests of the Eligible Person with the corporate goals and long-term objectives of our Company as the future growth and continuing success of our Group largely depend on the continuous contribution and involvement of our employees. Hence, with the LTIP, our Company will be able to encourage our employees and Directors to remain with our Group, thus ensuring that the loss of key personnel is kept to a minimum. Besides, the LTIP will also enable our Company to raise proceeds from the exercise of SOP Options which are expected to be used for the working capital requirements of our Company. The exercise of the SOP Options into new SCBUILD/0109 Shares and vesting of the SGP Awards are expected to enhance our shareholders' funds, strengthen the overall financial position of our Group and directly enhancing our shareholders' value.

Despite the expected dilution on the consolidated EPS of the Group following the Rights Issue, the Proposals are expected to generate the benefits as disclosed in Section 3 of this Abridged Prospectus. This will aid the Company in its effort to continuously improve its financial performance and to enhance value for the shareholders moving forward.

7.5 Adequacy of the Proposals in addressing the Company's financial concerns

The proceeds from the Rights Issue are expected to provide the Group with funding for the purposes stated in Section 4 of this Abridged Prospectus, which in turn will enhance the Group's financial performance and shareholders' value.

Further, the utilisation of proceeds will support the Group to grow its construction business to contribute to the Group's earnings in the future as the proceeds will be earmarked for the working capital for the Group's existing and future construction contracts, given the outlook of the industries as set out in Section 6.2 and 6.3 of this Abridged Prospectus.

Premised on the efforts to improve the financial position of the Group as set out above, the Board is of the view that the Proposals are in the best interest of the Group after considering all of the aspects of the Proposals and the Group's current financial requirements. The Board is of the view that the Proposals would adequately address the Group's financial concerns.

INFORMATION ON OUR COMPANY (cont'd)

The Board will continue to evaluate the Group's funding requirements to meet its operational and development requirements over the short, medium and long term. In this regard, the Board will continue to assess the efficacy of various funding alternatives, as and when the needs arise.

7.6 Steps undertaken or to be undertaken to improve the financial condition of the Group

In view of the Group's continuous loss-making position, the Group has undertaken the following to improve the financial condition of the Group:

- (i) The Group had raised gross proceeds of approximately RM3.03 million from a private placement of 75,000,000 Shares, at an issue price of RM0.0404 per Share, which was completed on 13 November 2020 ("**Private Placement I**"). The status of utilisation of the proceeds raised from the Private Placement I as at the LPD is as follows:

Details of utilisation	Expected time frame for utilisation of proceeds from 13 November 2020	Actual proceeds raised RM'000	Amount utilised as at the LPD RM'000	Balance unutilised RM'000
Working capital ⁽¹⁾	Within 12 months	2,930	2,930	-
Estimated expenses	Immediately	100	100	-
Total		3,030	3,030	-

Note:

- (1) The proceeds earmarked for working capital is intended to partially defray the day-to-day operational expenses of the Group including, amongst others, staff-related costs and other general administrative expenses such as office utilities and office upkeep.
- (ii) The Group had raised gross proceeds of approximately RM6.56 million from a private placement of 116,000,000 Shares, which was completed on 6 August 2021 ("**Private Placement II**"). The placement Shares pursuant to the Private Placement II are separated into four tranches, the details are as follows:

Date	No. of Shares	Issue price per Share RM	Gross proceeds raised RM
1 March 2021	80,000,000	0.0500	4,000,000
10 June 2021	6,000,000	0.07812	468,720
30 July 2021	15,000,000	0.0720	1,080,000
6 August 2021	15,000,000	0.0675	1,012,500
Total	116,000,000		6,561,220

INFORMATION ON OUR COMPANY (cont'd)

The status of utilisation of the proceeds raised from the Private Placement II as at the LPD is as follows:

Details of utilisation	Expected time frame for utilisation of proceeds from 6 August 2021	Actual proceeds raised	Adjusted Utilisation	Amount utilised as at the LPD	Balance unutilised
		RM'000	RM'000	RM'000	RM'000
Working capital ⁽¹⁾	Within 12 months	6,461	6,514	6,514	-
Estimated expenses	Immediately	100	47	47	-
Total		6,561	6,561	6,561	-

Note:

- (1) The proceeds earmarked for working capital is intended to partially defray the day-to-day operational expenses of the Group including, amongst others, payment to subcontractors as well as non-operating and administrative expenses.
- (iii) To further improve our Group's financial performance, our Group will regularly review our cost structure with an aim of reducing office and administrative expenses for our operations.
- (iv) The Group's commitment in completing its current on-going construction contract which involves the proposed prototyping solar power on the roofs on one unit of terrace/shop houses and financing, building and completion of 28 units of single storey terrace/shop houses as disclosed in Section 4(a)(ii) of this Abridged Prospectus, which is expected to improve the Group's cash flow position and financial performance upon completion.
- (v) The Group has been continuously seeking for opportunities to grow its construction activities via engaging in open tenders. As at the LPD, the Group has yet to engage in any open tenders for construction works.

Save for the Proposals, the Group has not identified any other corporate proposals to be undertaken as at the LPD.

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INFORMATION ON OUR COMPANY (cont'd)

8. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The pro forma effects of the Rights Issue on the substantial shareholders' shareholdings of SCBUILD/0109 are as follows:

	As at the LPD		After the Rights Issue ^(f)	
	<---Direct ---> No. of SCBUILD/0109 Shares (a)%	<---Indirect ---> No. of SCBUILD/0109 Shares (a)%	<---Direct ---> No. of SCBUILD/0109 Shares (b)%	<---Indirect ---> No. of SCBUILD/0109 Shares (b)%
Substantial shareholders				
Vantage Matrix Sdn Bhd	243,500,000	22.67	243,500,000	7.56
Sincere Rewards Sdn Bhd	-	-	-	-
Takzim Empayar Sdn Bhd	122,593,648	11.41	367,780,944	11.41
Loh Boon Ginn	130,000,000	12.10	590,000,000	18.31
SC Estate World Sdn Bhd	93,314,952	8.69	1,029,944,856	31.96
Chuan Ai May Underwriter	-	-	506,364,618	15.71
		(c)243,500,000	(c)243,500,000	-
		(d)122,593,648	(d)367,780,944	-
		(e)93,314,952	(e)1,029,944,856	-

Notes:

- (a) Based on existing total number of issued Shares of SCBUILD/0109 of 1,074,090,909 Shares as at the LPD.
- (b) Based on enlarged total number of issued Shares of SCBUILD/0109 of 3,222,272,727 Shares after the Rights Issue.
- (c) Deemed interested by virtue of its interest held in Vantage Matrix Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (d) Deemed interested by virtue of his interest held in Takzim Empayar Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (e) Deemed interested by virtue of her interest held in SC Estate World Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (f) Assuming only the Undertaking Shareholders subscribe for the Rights Shares pursuant to the Undertakings and the remaining Shares subscribed by the underwriter.

INFORMATION ON OUR COMPANY (cont'd)

9. DIRECTORS' SHAREHOLDINGS

The pro forma effects of the Rights Issue on our Directors' shareholdings of SCBUILD/0109 are as follows:

Director	As at the LPD		After the Rights Issue	
	<---Direct ---> No. of SCBUILD/0109 Shares (a)%	<---Indirect ---> No. of SCBUILD/0109 Shares (a)%	<---Direct ---> No. of SCBUILD/0109 Shares (b)%	<---Indirect ---> No. of SCBUILD/0109 Shares (b)%
Loh Boon Ginn	130,000,000 12.10	(c)122,593,648 11.41	590,000,000 18.31	(c)367,780,944 11.41

Notes:

- (a) Based on existing total number of issued Shares of SCBUILD/0109 of 1,074,090,909 Shares as at the LPD.
 - (b) Based on enlarged total number of issued Shares of SCBUILD/0109 of 3,222,272,727 Shares after the Rights Issue.
 - (c) Deemed interested by virtue of his interest held in Takzim Empayar Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- Save for Loh Boon Ginn, none of the Directors has any direct or indirect shareholdings in SCBUILD/0109.

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INFORMATION ON OUR COMPANY (cont'd)

10. WRITTEN CONSENTS

The written consents of our Principal Adviser, Company Secretaries, Share Registrar, Reporting Accountants, IMR and Solicitors for the Rights Issue for the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (a) Constitution of our Company;
- (b) The IMR Report;
- (c) Letters of consent as referred to in Section 10 of this Appendix;
- (d) Letters of Undertaking as referred to in Section 2.4 of this Abridged Prospectus;
- (e) Pro forma consolidated statement of financial position of SCBUILD/0109 Group as at 31 October 2023 together with the Reporting Accountants' report thereon, as set out in **Appendix II** of this Abridged Prospectus; and
- (f) Underwriting Agreement.

12. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, which the omission of which would make any statement herein false or misleading.

M&A Securities, being our Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



ECOVIS MALAYSIA PLT

201404001750 (LLP0003185-LCA) & AF 001825
Chartered Accountants. Kuala Lumpur, Malaysia

Board of Directors

SC ESTATE BUILDER BERHAD

D-08-06, Block D, Level 8

Capital 4, Oasis Square

No.2, Jalan PJU 1A/7A

Ara Damansara

47301 Petaling Jaya, Selangor

Kuala Lumpur office

Eunice Chai, Assurance

Phone: +603 7981 1799

Fax-No: +603 7980 4796

E-Mail: eunice.chai@ecovis.com.my

Ref: A/CKC/CHS

Kuala Lumpur, 10 January 2024

Dear Sirs

SC ESTATE BUILDER BERHAD (“SCBUILD/0109” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“SCBUILD/0109 GROUP”)

REPORTING ACCOUNTANT’S REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 FOR INCLUSION IN THE ABRIDGED PROSPECTUS TO SHAREHOLDERS

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of SCBUILD/0109 Group prepared by the Board of Directors of the Company (“Directors”). The Pro Forma Consolidated Statements of Financial Position as at 31 October 2023 together with the accompanying notes thereon are set out in **Appendix I**, which has been stamped by us for identification purposes only, have been compiled by the Directors for inclusion in the Abridged Prospectus to Shareholders of SCBUILD/0109 in relation to the Company’s Rights Issue (as described in Note 3).

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are specified paragraphs 5.13 to 5.16 of Chapter 5, Pro Forma Financial Information under Part II Contents of Prospectus, Division 5 Abridged Prospectus of the Prospectus Guidelines (“Prospectus Guidelines”) issued by the Securities Commission Malaysia.

The Pro Forma Statements of Financial Position have been compiled by the Directors to illustrate the impact of the Proposals, as set out in the notes to the Pro Forma Consolidated Statements of Financial Position in **Appendix I**, on the SCBUILD/0109 Group’s Financial Position as at 31 October 2023 as if the Proposals had taken place at 31 October 2023. As a part of this process, information about SCBUILD/0109 Group’s Financial Position has been extracted by the Directors from SCBUILD/0109’s financial statements for the period ended 31 October 2023, on which a review report has been issued.

ECOVIS MALAYSIA PLT 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, No 9-3, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur, Malaysia **Phone:** +60(3) 7981 1799 **Fax:** +60(3) 7980 4796 **E-Mail:** kuala-lumpur@ecovis.com.my

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position**

The Directors are solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position in **Appendix I**, in accordance with the requirements of the Prospectus Guidelines.

Reporting Accountant's Professional Ethics and Quality Management

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Directors on the basis described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position as set out in **Appendix I**.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis described in the Notes to the Pro Forma Consolidated Statements of Financial Position in **Appendix I**.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of SCBUILD/0109 Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)**Reporting Accountant's Responsibilities (cont'd)**

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Statements of Financial Statements reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of SCBUILD/0109 Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis stated in the notes to the Pro Forma Consolidated Statements of Financial Position in **Appendix I**.

Restriction on Distribution and Use

Our report is issued for the sole purpose of inclusion in the Abridged Prospectus to shareholders of SCBUILD/0109 in connection with the Rights Issue and should not be used for any other purpose. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

A handwritten signature in black ink that reads "Ecovis".

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

A large, stylized handwritten signature in black ink that reads "CHUA KAH CHUN".

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

APPENDIX I

SC ESTATE BUILDER BERHAD

REGISTRATION NO. 200401017162 (655665-T)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023

		Pro Forma	
	Note	Unaudited Financial Statements as at 31 October 2023 RM	Upon Completion of Rights Issue and Utilisation of Proceeds RM
NON-CURRENT ASSETS			
Property, plant and equipment		21,808,153	21,808,153
Land held for property development		17,300,000	17,300,000
		<u>39,108,153</u>	<u>39,108,153</u>
CURRENT ASSETS			
Trade receivables		1,899,992	1,899,992
Other receivables and deposits		6,468	6,468
Contract assets		24,768	24,768
Cash and bank balances	5(a)	63,587	10,304,496
		<u>1,994,815</u>	<u>12,235,724</u>
CURRENT LIABILITIES			
Trade payables		1,469,118	1,469,118
Other payables and accruals		436,056	436,056
Provision for taxation		548,001	548,001
		<u>2,453,175</u>	<u>2,453,175</u>
NET CURRENT (LIABILITIES)/ ASSETS			
		<u>(458,360)</u>	<u>9,782,549</u>
		<u>38,649,793</u>	<u>48,890,702</u>
Financed by: -			
SHARE CAPITAL	5(b)	40,867,506	51,608,415
ACCUMULATED LOSSES	5(c)	(7,649,764)	(8,149,764)
		<u>33,217,742</u>	<u>43,458,651</u>
NON-CURRENT LIABILITIES			
Trade payables		1,337,097	1,337,097
Other payables and accruals		883,057	883,057
Amount due to a director		3,211,897	3,211,897
		<u>5,432,051</u>	<u>5,432,051</u>
		<u>38,649,793</u>	<u>48,890,702</u>
Net assets (RM)		33,217,742	43,458,651
Number of ordinary shares assumed in issue (units)		1,074,090,909	3,222,272,727
Net assets attributable to equity holders per ordinary share (RM)		0.03	0.01

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

APPENDIX I

SC ESTATE BUILDER BERHAD

REGISTRATION NO. 200401017162 (655665-T)

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023**

1. Basis Of Preparation

The Pro Forma Consolidated Statements of Financial Position ("SOFP") of SC Estate Builder Berhad ("SCBUILD/0109" or "the Company") and its subsidiaries ("SCBUILD/0109 Group" or "the Group") as at 31 October 2023, for which the Board of Directors ("Board") of SCBUILD/0109 are solely responsible, have been prepared for illustrative purposes only, to show the effects of the following proposals on the unaudited consolidated SOFP of SCBUILD/0109 as at 31 October 2023, had undertaken the following proposals:

- (i) renounceable rights issue of 2,148,181,818 new ordinary shares in SCBUILD/0109 ("SCBUILD/0109 Shares" or "Shares") ("Rights Shares") at an issue price of RM0.005 per Rights Share on the basis of 2 Rights Shares for every 1 SCBUILD/0109 Share subscribed for, at 5.00pm on 18 January 2024 ("Right Issue"); and
- (ii) establishment and implementation of a long-term incentive plan ("LTIP") of up to 30.0% of the Company's total issued share capital (excluding treasury shares, if any) at any point in time over the duration of the LTIP for eligible directors of SCBUILD/0109 ("Directors") and employees of SCBUILD/0109 and its non-dormant subsidiary(ies), who fulfil the eligibility criteria as set out in the by-laws of the LTIP ("LTIP" or "Scheme"). The LTIP comprises of a share grant plan ("SGP") and a share option plan ("SOP").

(Collectively referred to as "the Proposals").

The Pro Forma Consolidated SOFP of the Group have been prepared based on the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

The Pro Forma Consolidated SOFP of SCBUILD/0109 Group for which Board of Directors of SCBUILD/0109 is solely responsible, have been prepared based on the unaudited SOFP of the Group as at 31 October 2023, which in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and in a manner consistent with both the format of the financial statements and the accounting policies of the Group as disclosed in its unaudited interim financial statements for the period ended 31 October 2023.

The Pro Forma Consolidated SOFP is presented in Ringgit Malaysia ("RM").

The Pro Forma Consolidated SOFP of the Group comprise Pro Forma Consolidated SOFP and adjusted for the impact of the events or transactions as set out in Note 4 to the Pro Forma Consolidated SOFP.

Due to its nature, the Pro Forma Consolidated SOFP is not necessarily indicate of the financial position of the Group would have attained had the effects of the transactions as set in Note 2 actually occurred at the respective dates. Further, such information does not predict the Group's future financial position.

2. Pro Forma Adjustments

The Pro Forma Consolidated SOFP have been prepared to show the effects upon completion of Rights Issue and Utilisation of Proceeds.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

APPENDIX I

SC ESTATE BUILDER BERHAD

REGISTRATION NO. 200401017162 (655665-T)

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023 (CONT'D)**

3. The Proposals**3.1 Rights Issue**

Assuming the Rights Issue is undertaken on a full subscription basis.

No. of Rights Shares issued (units):	2,148,181,818
Proceeds from Rights Shares issued (RM) (@ issue price of RM0.005 each):	10,740,909

3.2 Utilisation of Proceeds from the Rights Issue

The details of utilisation of gross proceeds raised from the Rights Issue are as below:

	<u>RM</u>
<u>Utilisation of proceeds</u>	
Working capital	10,240,909
Estimated expenses for the Rights Issue	500,000
	<u>10,740,909</u>

The utilisation of proceeds is illustrated in the Pro Forma Consolidated SOFP in accordance with Paragraph 5.15(c) of the Prospectus Guidelines.

3.3 LTIP

The LTIP will not have an immediate effect on the Pro Forma Consolidated SOFP until such time new SCBUILD/0109 Shares are issued pursuant to the LTIP.

4. Pro Forma Effects

Pro Forma is stated after incorporating the effect after the completion of the Rights Issue based on full subscription basis of 2,148,181,818 Rights Shares and Utilisation of Proceeds as set out in Note 3.1 and Note 3.2 to the Pro Forma Consolidated SOFP.

The full subscription of 2,148,181,818 Rights Shares will raise cash proceeds of RM10,740,909.

The Group intends to allocate proceeds of RM10.241 million from the Rights Issue for working capital purpose.

The proceeds to be utilised for working capital requirements are assumed to be retained as cash and bank balances.

The estimated expenses of RM0.5 million to be incurred for Rights Issued are charged to retained earnings.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

APPENDIX I

SC ESTATE BUILDER BERHAD

REGISTRATION NO. 200401017162 (655665-T)

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023 (CONT'D)

5. Effect on the Pro Forma Consolidated SOFP

(a) Cash and bank balances

	RM
As at 31 October 2023	63,587
Effects of Pro Forma	
- Rights Issue	10,740,909
- Payment of estimated expenses for Rights Issue	(500,000)
Pro Forma	<u>10,304,496</u>

(b) Share capital

	No. of shares (units)	RM
As at 31 October 2023	1,074,090,909	40,867,506
Effects of Pro Forma		
-Rights Issue	2,148,181,818	10,740,909
Pro Forma	<u>3,222,272,727</u>	<u>51,608,415</u>

(c) Accumulated losses

	RM
As at 31 October 2023	(7,649,764)
Effects of Pro Forma	
- Payment of estimated expenses for Rights Issue	(500,000)
Pro Forma	<u>(8,149,764)</u>

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (cont'd)

APPENDIX I

SC ESTATE BUILDER BERHAD
REGISTRATION NO. 200401017162 (655665-T)
STATEMENT BY DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **10 JAN 2024**



Loh Boon Gin
Ahli Mahkota Kedah
Director



Kuay Jeaneve
Director