

SC ESTATE BUILDER BERHAD

[Registration No. 200401017162 (655665-T)]

(Incorporated in Malaysia)

MINUTES OF THE EIGHTEENTH (18TH) ANNUAL GENERAL MEETING (“AGM”) OF SC ESTATE BUILDER BERHAD (“SCBUILD/0109” OR “THE COMPANY”) HELD ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES VIA AN ONLINE MEETING PLATFORM AT WWW.SWSB.COM.MY PROVIDED BY SHAREWORKS SDN. BHD. (DOMAIN REGISTRATION NUMBER WITH MYNIC: D1A403841) ON FRIDAY, 28 JULY 2023 AT 11.00 A.M.

PRESENT:

Board of Directors

1. Loh Boon Ginn, Chairman & Managing Director/ Chief Executive Officer
2. Dato' Bijaya Indera Dato' Paduka Haji Syed Unan Mashri Bin Syed Abdullah, Independent Non-Executive Director
3. Ms Kuay Jeaneve, Executive Deputy Chairman
4. Mr Chee Jun Ann, Non-Independent Executive Director
5. Ms Kuay Jen Nie, Non-Independent Executive Director
6. Ms Loh Shy Tyug, Non-Independent Executive Director
7. Ms Loh Shy Ming, Non-Independent Non-Executive Director
8. Ms Josipinna Binti Pudun, Independent Non-Executive Director
9. Mr Loo Tze Ming, Independent Non-Executive Director
10. Ms Chan Wei Xi, Independent Non-Executive Director
11. Mr Soo Ting Hooi, Independent Non-Executive Director
12. Mr Chu Wooi Siong, Independent Non-Executive Director

In Attendance:

1. Mr Tan Tong Lang (Company Secretary)

Shareholders/Proxies/Corporate Representatives attendance participated through Remote Participation and Voting (“RPV”) Platform.

1. CHAIRMAN

Loh Boon Ginn (“the Chairman”) welcomed all present to the 18th AGM of the Company.

The AGM was conducted fully virtual via online meeting platform at www.swsb.com.my provided by Shareworks Sdn. Bhd. with its domain address registered in Malaysia and in compliance with Section 327 of the Companies Act, 2016 (“the Act”) where all members of the Board of Directors, Management and the Chairman joined this AGM remotely from their respective locations.

As the AGM was a fully virtual meeting, the Chairman informed that the Company has taken all efforts and tried its best to ensure a smooth live streaming, however, the quality of the broadcast for the recipients may be affected by the participants’ own internet bandwidth connection and stability.

The Chairman then proceeded to introduce the Directors and Company Secretary of the Company to the shareholders who joined from their respective locations.

2. QUORUM

The Chairman called upon the Company Secretary to confirm the presence of the quorum. The Company Secretary reported that a quorum was present pursuant to the Constitution of the Company.

With the requisite quorum being present, the Chairman declared the Meeting duly convened.

3. NOTICE OF MEETING

The Notice convening the Meeting, having been circulated within the prescribed period with the permission of the Meeting be taken as read.

4. MEETING AND VOTING PROCEDURES

The Chairman informed that all resolutions at the general meeting would be conducted on a poll under Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman informed that the Company had appointed ShareWorks Sdn. Bhd. as Poll Administrator to conduct the electronic polling process, and SharePolls Sdn Bhd as the Independent Scrutineer to verify the poll results.

The shareholders of the Company ("Shareholders") and proxies were informed that they could commence to vote on the resolutions any time throughout the AGM until the closure of the voting session.

The Chairman informed that the Board of Directors ("Board") will address the questions received during the Meeting via the RPV facilities will be addressed during the Questions and Answers Session ("Q&A Session") after all the resolutions set out in the Notice of AGM has been tabled.

5. TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Meeting was informed that the first item on the agenda was to receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 January 2023, together with the Reports of the Directors and Auditors thereon ("**Audited Financial Statements**").

Pursuant to Section 340(1)(a) of the Companies Act, 2016, the Audited Financial Statements do not require the formal approval of the shareholders and hence, this Agenda item was not put forward for voting and any questions on the Audited Financial Statements would be posted at the Q&A session later.

The Chairman informed that the Company has received a letter from the Minority Shareholders Watch Group ("**MSWG**") on 11 July 2023 with a total of 5 questions raised by them and the responses to the questions raised would be presented at the Q&A session later.

It was then declared that the Audited Financial Statements be received.

**6. ORDINARY RESOLUTION 1
APPROVAL THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS OF UP TO RM800,000.00/- PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD COMMENCING FROM THE 18TH AGM OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY.**

The Meeting was informed that Ordinary Resolution 1 was to approve the payment of Directors' Fees and other benefits of up to RM800,000.00/- payable to the Non-Executive Directors for the period commencing from the 18th AGM of the Company until the conclusion of the next AGM of the Company.

**7. ORDINARY RESOLUTION 2
RE-ELECTION OF MS. LOH SHY MING, THE DIRECTOR WHO RETIRES IN ACCORDANCE WITH CLAUSE 123 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 2 was to re-elect the retiring Director, Ms Loh Shy Ming, who retired by rotation pursuant to Clause 123 of the Company's Constitution and being eligible, had offered herself for re-election.

**8. ORDINARY RESOLUTION 3
RE-ELECTION OF LOH BOON GINN WHO RETIRED PURSUANT TO BY ROTATION CLAUSE 106 OF THE COMPANY'S CONSTITUTION**

The Executive Deputy Chairman, Ms. Kuay Jeaneve ("**Ms. Jean**") took over the chairmanship from Chairman to chair the Ordinary Resolution 3 pertaining to the re-election of Chairman, Loh Boon Ginn, who retires by rotation pursuant to the Company's Constitution.

The Meeting was informed that pursuant to Clause 106 of the Company's Constitution, Loh Boon Ginn, who was retiring as Director of the Company and being eligible, had offered himself for re-election.

Ms. Jean handed over the chairmanship to Chairman to chair the next item of the agenda.

**9. ORDINARY RESOLUTION 4
RE-ELECTION OF MS. KUAY JEANEVE WHO RETIRED BY ROTATION PURSUANT TO CLAUSE 106 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 4 was to re-elect the retiring Director, Ms. Jean, who retired by rotation pursuant to Clause 106 of the Company's Constitution and being eligible, had offered herself for re-election.

**10. ORDINARY RESOLUTION 5
RE-ELECTION OF MS. KUAY JEN NIE WHO RETIRED PURSUANT TO CLAUSE 106 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 5 was to re-elect the retiring Director, Ms. Kuay Jen Nie, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered herself for re-election.

**11. ORDINARY RESOLUTION 6
RE-ELECTION OF MR CHEE JUN ANN WHO RETIRED PURSUANT TO CLAUSE 106
OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 6 was to re-elect the retiring Director, Mr Chee Jun Ann, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered himself for re-election.

**12. ORDINARY RESOLUTION 7
RE-ELECTION OF MS. JOSIPINNA BINTI PUDUN WHO RETIRED PURSUANT TO
CLAUSE 106 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 7 was to re-elect the retiring Director, Ms. Josipinna Binti Pudun, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered herself for re-election.

**13. ORDINARY RESOLUTION 8
RE-ELECTION OF MR. LOO TZE MING WHO RETIRED PURSUANT TO CLAUSE 106
OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 8 was to re-elect the retiring Director, Mr. Loo Tze Ming, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered himself for re-election.

**14. ORDINARY RESOLUTION 9
RE-ELECTION OF MS. CHAN WEI XI WHO RETIRED PURSUANT TO CLAUSE 106 OF
THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 9 was to re-elect the retiring Director, Ms. Chan Wei Xi, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered herself for re-election.

**15. ORDINARY RESOLUTION 10
RE-ELECTION OF MR. SOO TING HOOI WHO RETIRED PURSUANT TO CLAUSE 106
OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 10 was to re-elect the retiring Director, Mr. Soo Ting Hooi, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered himself for re-election.

**16. ORDINARY RESOLUTION 11
RE-ELECTION OF DATO' BIJAYA INDERA DATO' PADUKA HAJI SYED UNAN
MASHRI BIN SYED ABDULLAH WHO RETIRED PURSUANT TO CLAUSE 106 OF THE
COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 11 was to re-elect the retiring Director, Dato' Bijaya Indera Dato' Paduka Haji Syed Unan Mashri Bin Syed Abdullah, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered himself for re-election.

**17. ORDINARY RESOLUTION 12
RE-ELECTION OF MR. CHU WOUI SIONG WHO RETIRED PURSUANT TO CLAUSE
106 OF THE COMPANY'S CONSTITUTION**

The Meeting was informed that Ordinary Resolution 12 was to re-elect the retiring Director, Mr. Chu Wooi Siong, who retired pursuant to Clause 106 of the Company's Constitution and being eligible, had offered himself for re-election.

**18. ORDINARY RESOLUTION 13
RE-APPOINTMENT OF MESSRS. CHENGCO PLT AS AUDITORS OF THE COMPANY
FOR THE ENSUING YEAR AND TO AUTHORISE THE DIRECTORS TO FIX THEIR
REMUNERATION**

The Meeting was informed that Ordinary Resolution 13 was to re-appoint Messrs. ChengCo PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

The Meeting was informed that Messrs. ChengCo PLT have indicated their willingness to continue in office as Auditors of the Company.

**19. SPECIAL BUSINESS - ORDINARY RESOLUTION 14
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76
OF THE COMPANIES ACT, 2016**

The Meeting was informed that the next item on the agenda was a special business for the approval of Ordinary Resolution 14 in respect of the Authority to issue and allot shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

The Chairman further explained that the Proposed Ordinary Resolution 14 would give the Directors flexibility to allot and issue shares from time to time for such purposes as the Directors in their absolute discretion consider to be in the best interest of the Company, without having to convene separate general meetings, subject to the limitation that the shares to be allotted and issued do not exceed 10% of the issued share capital of the Company for the time being.

This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

20. Q&A SESSION

As highlighted earlier, Chairman informed the Meeting that MSWG's questions and answers together with the Company's response thereto were then presented to the shareholders, as follows:

Operational & Financial Matters

1) Question

For FYE2023 (18 months period), SCBUILD/0109 Group revenue decreased to RM2,473,725 from RM3,350,627 recorded in FYE2022 (12 months period).

In the 18 months, SCBUILD/0109 Group saw a decline in its gross profit margin (GPM) level to 9.45% (RM233,731/RM2,473,725×100) [FYE2022: GPM of 14.24% (RM477,279/RM3,350,627×100)].

SCBUILD/0109 Group incurred loss after tax (LAT) of RM3,986,010 (FYE2022: LAT of RM1,741,966) (Page 86 of the Annual Report 2023/AR2023).

- a) How does the Board plan to address the financial performance of the SCBUILD/0109 Group?
- b) Why did SCBUILD/0109 Group record only a single-digit GPM level in FYE2023? How can the Board and management improve its GPM level moving forward?

Answer to Question 1

- a) ***Subsequent to the financial year ended 31 January 2023, the Company had on 8 June 2023 announced a proposal for the proposed 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 held (“Proposed Rights Issue”).***

Based on the issue price of RM0.005 per Rights Share, the gross proceeds to be raised from the Proposed Rights Issue would be RM10.241 million for working capital purpose. With the proceeds from the Proposed Rights Issue, the Group would be able to intensify its efforts to secure more construction projects and other business ventures which in turn will be able to increase the revenue of the Group.

On the above basis, the Board of Directors believes that the Proposed Rights Issue would be able to generate sufficient working capital to improve the performance of the Group.

- b) ***The current market is very competitive. With the general economic is recovering, the Board believes that the Group can perform better in the future.***

2) Question

- a) What is the outlook for the trading of building materials and other related products and construction business segments in FYE2024?
- b) What is the Group the current construction orderbook? How long will the current orderbook last?
- c) The Group is focusing its efforts to increase its construction contract and will continue to secure more contract as well as to improve the future performance of the Group (Page 47 of AR2023).
 - i. Is the Group actively bidding for any construction projects? If so, how much contract value is expected to be secured?
 - ii. What is the targeted order book replenishment in the next two financial years?

Answer to Question 2

- a) ***The Group foresees that the building materials and related products and construction business segment will be improving in FYE2024 onwards.***
- b) ***The Group current construction orderbook is RM3.5 million and is expected to last until January 2024.***
- c) ***(i) The Group is in the middle of negotiating several project management project with a total contract sum of up to RM10 million.***
(ii) The Group is targeting to achieve an orderbook of RM10-20 million for the next two financial years.

3) Question

The Group is exploring other business opportunities including acquisition of company that is in the business of construction and its related industry, venturing into the business of Renewable Energy (RE) in solar power generation that would contribute positively to the Group (Page 47 of AR2023).

What is the progress of the abovementioned initiative?

Answer to Question 3

The Group is still in the midst of looking for business opportunities including business acquisition construction and related industries and business venturing in Solar Power Plant and Solar Power on The Roof.

Corporate Governance Matters

4) Question

The total cost incurred for the outsourced internal audit function of the Group for FYE2023 is amounted to RM16,000 (Page 69 of AR2023).

Given that the fee is rather small (approximately RM888.88 per month), how does the audit committee assure itself that there would be adequate coverage and an effective audit function? How many internal audit reports were issued during the said period? What were the areas of coverage?

Answer to Question 4

The internal audit review of the Group is based on the size of business and operation of the Group. The Audit Committee believed that the internal audit reviews conducted were adequate for FYE 2023.

For FYE 2023, there were 2 internal audit reviews conducted on Malaysian Code of Corporate Governance 2021 (MCCG 2021) Review and Enterprise Risk Management Review.

5) Question

Under Ordinary Resolution 1, the Company is seeking shareholders' approval for the payment of Directors' fees and benefits of up to RM800,000.00 payable to the Non-Executive Directors for the period commencing from the conclusion of the 18th AGM of the Company until the conclusion of the next AGM of the Company.

Please provide the details of the proposed fees and benefits.

Answer to Question 6

The amount of up to RM800,000 is proposed for directors' fees of RM132,000 for non-executive directors, meeting allowance of RM192,000 and remaining will be related to payments benefits if any.

There being no other questions received during the Meeting, the Chairman then declared that the Q&A session closed.

21. ANY OTHER BUSINESS

The Meeting was advised that there was no other business to be transacted at this Meeting of which due notice had been given.

22. ONLINE REMOTE VOTING PROCESS

After dealing with all items on the Agenda of the Notice, the Chairman informed that the online remote voting session will be closed in 10 minutes and the Shareholders who have yet to cast their votes are advised to do so now.

After 10 minutes later, Chairman declared the voting session for the 18th AGM closed and adjourned the 18th AGM for approximately 20 minutes for the poll count and poll validation by the Poll Administrator and the Scrutineer, respectively.

23. ANNOUNCEMENT OF POLL RESULTS

The Chairman then called the 18th AGM to order for the declaration of the poll results. The Chairman announced the poll results which had been duly validated by the Scrutineer.

The poll results were displayed on the screen as follows:

Resolutions	Voted For		Voted Against		Results
	No of Shares	%	No of Shares	%	
Ordinary Resolution 1	644,215,013	99.9887	73,001	0.0113	Carried
Ordinary Resolution 2	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 3	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 4	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 5	644,280,713	99.9973	17,201	0.0027	Carried
Ordinary Resolution 6	644,281,713	99.9975	16,201	0.0025	Carried

Ordinary Resolution 7	644,281,613	99.9975	16,301	0.0025	Carried
Ordinary Resolution 8	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 9	644,280,713	99.9973	17,201	0.0027	Carried
Ordinary Resolution 10	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 11	644,281,613	99.9975	16,301	0.0025	Carried
Ordinary Resolution 12	644,281,713	99.9975	16,201	0.0025	Carried
Ordinary Resolution 13	644,296,813	99.9998	1,201	0.0002	Carried
Ordinary Resolution 14	644,291,013	99.9989	6,801	0.0011	Carried

Based on the above poll results, the Chairman declared that Ordinary Resolutions 1 to 14 were all carried.

24. CLOSURE OF MEETING

There being no other business, the Chairman declared the Meeting closed at 12.10 p.m.

**Confirmed as a correct record of
the proceedings held thereat**

LOH BOON GINN

Ahli Mahkota Kedah

Chairman and Managing Director/Chief Executive Officer

Dated: