

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, please consult your stockbroker, bank manager, solicitor, accountant, bank manager or other professional advisers immediately.

This Circular has been reviewed by M&A Securities Sdn Bhd as the Principal Adviser to SC Estate Builder Berhad ("SCBUILD/0109" or the "Company"). Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**SC ESTATE BUILDER BERHAD**

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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:**

**PART A**

- (I) PROPOSED JOINT VENTURE BETWEEN SC ESTATE CONSTRUCTION SDN BHD AND ANJUNG MERIAH SDN BHD TO DEVELOP THE LARGE SCALE SOLAR PHOTOVOLTAIC PLANT OF 4.00 MEGAWATTS IN ARAU, PERLIS ("PROPOSED JOINT VENTURE"); AND**
- (II) PROPOSED PRIVATE PLACEMENT OF UP TO 1,227,685,900 NEW ORDINARY SHARES IN SCBUILD/0109 ("SCBUILD/0109 SHARES"), REPRESENTING NOT MORE THAN 30% OF THE TOTAL NUMBER OF ISSUED SCBUILD/0109 SHARES ("PROPOSED PRIVATE PLACEMENT")**

**PART B**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSALS**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser for Part A**



**M&A SECURITIES SDN BHD**  
Registration No. 197301001503 (15017-H)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Independent Adviser for Part B**



**ASIA EQUITY RESEARCH SDN BHD**  
Registration No. 201401027762 (1103848-M)  
License Number: CMSL/A0330/2015  
(Licensed to provide advisory in corporate finance and investment advice)

The Extraordinary General Meeting ("EGM") of the Company is scheduled to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya Selangor Darul Ehsan, Malaysia on Monday, 30 June 2025 at 11.00 a.m. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

You are entitled to attend, participate, speak and vote at the EGM or appoint a proxy or proxies to attend, participate, speak and vote on your behalf. If you decide to appoint a proxy to attend and vote on your behalf at the EGM, the Form of Proxy should be completed and lodged at the office of the share registrar of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking and voting at the forthcoming EGM if you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 28 June 2025 at 11.00 a.m.  
Date and time of the EGM : Monday, 30 June 2025 at 11.00 a.m.

**This Circular is dated 13 June 2025**

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

ACE Market	:	ACE Market of Bursa Securities	
AER	:	Asia Equity Research Sdn Bhd [Registration No. 201401027762 (1103848-M)]	
AMSB	:	Anjung Meriah Sdn Bhd [Registration No. 198701007407 (166125-V)]	
AMSC Solar	:	AMSC Solar Sdn Bhd [Registration No. 202501001023 (1602438-M)]	
Board	:	Board of Directors of SCBUILD/0109	
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]	
Circular	:	This circular to shareholders of SCBUILD/0109 dated 13 June 2025	
Consortium	:	Consortium of SCECSB and AMSB	
Constitution	:	Constitution of the Company	
Commercial Date	Operation	:	The day following all the conditions precedent as set forth in Clause 3.3 (Conditions Precedent to Commercial Operations) of the PPA having been satisfied or waived, starting from 00:00 hours, which is expected to be on 30 June 2027
Director(s)	:	A natural person who holds a directorship in the 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	
Distribution Network	:	Part of the grid system of electric lines or cables, substations and associated equipment and buildings for transporting electricity at nominal voltage of less than 132 kV	
EGM	:	Extraordinary general meeting	
EPCC	:	Engineering, Procurement, Construction and Commissioning	
EPS	:	Earnings per Share	
Excess Energy	:	Such Net Energy Output generated and delivered by SPP and accepted by TNB in excess of the Maximum Allowable Quantity in any contract year	
Facility	:	The solar photovoltaic energy generating facility located at the Site with a capacity of 4.00 MWac and ancillary equipment and facilities as more specifically described in Appendix A of the PPA and includes any modification thereto	

---

**DEFINITIONS (cont'd)**

---

Financing Documents	: The loan agreements (including agreements for any subordinated debt), notes, bonds, indenture, guarantees, security agreements, hedging agreements and any other documents relating to the financing or refinancing and security arrangements for the Project which have been or are to be entered into by SPP, excluding any agreements relating to sponsors' gross equity contribution as specified in Appendix J of the PPA
FYE	: Financial year ended/ending
IMR Report	: Independent Market Research Report on the renewable energy industry in Malaysia by Protégé dated 30 May 2025
Independent Engineer	: An established reputable consulting engineering firm or professional engineers, registered with the Board of Engineers Malaysia and who shall not be the owner's engineer, retained by SPP and approved by the Suruhanjaya Tenaga, the financing parties and TNB as the independent engineer in connection with the design, engineering, procurement, construction, installation, testing and commissioning of the Facility, the Site, the SPP Interconnection Facility, the SPP Interconnector, the SPP Works and associated facilities
Indicative Issue Price	: Indicative issue price of RM0.0085 per Placement Share
Initial Financing Documents	: The loan agreements (including agreements for any subordinated debt), notes, bonds, indenture, guarantees, security agreements, hedging agreements and any other documents relating to the financing and security arrangements for the Project which are entered into between the financing parties and SPP and reflecting accurately the financing model, excluding any agreements relating to sponsors' gross equity contribution as specified in Appendix J of the PPA
Initial Operation Date	: The date on which Net Energy Output is first generated and delivered from the Facility to the Distribution Network, which is expected to be on 1 April 2027
Interested Directors	: Collectively, Loh Boon Ginn, Kuay Jeaneve, Loh Shy Tyug and Loh Shy Ming
JVA	: Joint venture agreement dated 24 July 2024 entered into between SCECSB and AMSB to collaborate and participate as a consortium in the LSS Plant Project
JV Parties	: Collectively, SCECSB and AMSB
kV	: Kilovolt
LAT	: Loss after taxation
LBT	: Loss before taxation
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 30 May 2025, being the latest practicable date prior to the date of this Circular
LPS	: Loss per Share
LSS	: Large Scale Solar

---

**DEFINITIONS (cont'd)**

---

LSS Plant	: LSS Photovoltaic Plant
LSS Plant Project	: The development of LSS Plant of 4.00 MW in Arau, Perlis which will be sited on approximately 15.22 acres of leased land with a lease rate fixed at RM225.00 per acre per month for the first two (2) years and subsequently at RM450.00 per acre per month with a fixed increment of 5% of the last monthly lease payment every five (5) years
LTD	: 20 February 2025, being the last traded day of SCBUILD/0109 Shares prior to the date of the announcement of the Proposed Private Placement
M&A Securities	: M & A Securities Sdn Bhd [Registration No. 197301001503 (15017-H)]
Maximum Annual Allowable Quantity	: 9,417.00 MWh, being the annual quantity for the first twelve (12) months from the Commercial Operation Date
Meteorological Measuring Facilities	: All of the facilities (which is part of the ancillary equipment and facilities of the Facility), in accordance with the requirements of Appendix E of the PPA and as more specifically described in Appendix A of the PPA, that are necessary in accordance with prudent utility practices to enable SPP and TNB to monitor and record the meteorological conditions at the Site
MW	: Megawatts
MWac	: Megawatt in alternating current
MWh	: Megawatt hour
NA	: Net assets
NEDA	: The New Enhanced Dispatch Arrangement, pursuant to which a specified range of generators are able to participate in order to increase short-run competition and cost efficiency of generation in Malaysia
Net Energy Output	: The solar photovoltaic energy generated and delivered to the Distribution Network at the connection point from the Facility by AMSC Solar as measured in kWh by the TNB metering equipment or as otherwise determined in accordance with the provisions of Clause 10.5 (Adjustments for Inaccurate Meters) of the PPA during such period, for 21 years from the Commercial Operation Date
O&M	: Operation and Maintenance
Options	: Up to 122,768,591 balance share grant plan options and share option plan options
Placement Share(s)	: Up to 1,227,685,900 new SCBUILD/0109 Shares to be issued pursuant to the Proposed Private Placement
PAT	: Profit after tax
PBT	: Profit before tax
PPA	: Power purchase agreement dated 3 March 2025 entered into between AMSC Solar and TNB for the LSS Plant Project

---

**DEFINITIONS (cont'd)**

---

Project	:	Collectively, the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of the Facility, the Site, the Meteorological Measuring Facilities, the SPP Interconnection Facility, the SPP Interconnector, the SPP Works and associated facilities irrespective of whether construction has been completed or the Commercial Operation Date has been achieved, as more specifically described in Appendix A of the PPA, and any modification thereto
Project Documents	:	Collectively, the PPA, the EPCC contract, the O&M agreement, the Site Agreement and such other agreements as TNB and SPP shall from time to time mutually designate as a "Project Document"
Proposed Joint Venture	:	Proposed joint venture between the JV Parties to develop the LSS Plant Project
Proposed Placement	Private	Proposed private placement of up to 1,227,685,900 new SCBUILD/0109 Shares, representing not more than 30% of the total number of issued SCBUILD/0109 Shares, at an issue price to be determined later
Proposals	:	Collectively, the Proposed Joint Venture and the Proposed Private Placement
Protégé	:	Protégé Associates Sdn Bhd (Registration No. 200401037256 (675767-H)), the independent market researcher in relation to the Proposals
RM and sen	:	Ringgit Malaysia and sen, respectively
SCBUILD/0109 Company	or	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
SCECSB	:	SC Estate Construction Sdn Bhd [Registration No. 201201026500 (1010990-P)]
Site	:	The parcel of land upon which the Project is to be constructed and located, as more specifically described in Appendix H of the PPA
Site Agreement	:	The agreement or document in which SPP is granted the right to occupy and use the Site for the Project including right of ownership, lease, tenant, licence and such other rights for occupation throughout the Term
Supplemental Agreement	:	Supplemental agreement to the JVA dated 2 March 2025 entered into between SCECSB and AMSB
Scheduled Commercial Operation Date	:	30th June 2027 (a date specified in the Letter of Notification) or in each case (if applicable) such other date determined in accordance with Clauses 7.9 (Consequences of Delay by TNB) or 14.3(b) (Effect of Force Majeure Event) of the PPA, starting from 00:00 hours
SPP	:	AMSC Solar

---

**DEFINITIONS (cont'd)**

---

SPP Interconnection Facility	: All of the facilities to be designed, constructed, owned, operated and maintained by SPP as further described in Appendix D of the PPA to enable SPP to deliver solar photovoltaic energy from the Facility and to maintain the stability of the Distribution Network
SPP Interconnector	: The transmission line(s) or underground cable(s) and associated facilities to be designed, constructed, owned, operated and maintained by SPP as further described in Appendix D of the PPA that interconnect the SPP Interconnection Facility and the existing or new TNB substation as further described in the PPA
SPP License	: The licence required to be obtained by SPP pursuant to Section 9 of the Electricity Supply Act 1990 to enable SPP to own and operate the Facility and deliver and sell solar photovoltaic energy to TNB
SPP Works	: The design, engineering, procurement, supply, manufacturing, construction, installation, erection, testing, commissioning, labour, services, facilities, equipment, supplies and materials to be furnished, supplied or performed by SPP at the existing or new TNB substation as further described in Appendix D of the PPA
Test Energy	: Net Energy Output generated in connection with the commissioning of the Facility prior to the Commercial Operation Date
TNB	: Tenaga Nasional Berhad [Registration No. 199001009294 (200866-W)]
5D-VWAMP	: 5-day volume weighted average market price

For the purpose of this Circular, reference to a time of day shall be a reference to Malaysian time, unless other stated. In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a company or a corporation.

Certain figures included in this Circular have been subject to rounding adjustments.

References to "we", "us", "our" and "ourselves" are to the Company save where the context otherwise requires, the subsidiaries and to "you" or "your" are to the shareholders of SCBUILD/0109.

**[ The rest of this page is intentionally left blank ]**

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>PART A</b>	
<b>LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS</b>	
<b>EXECUTIVE SUMMARY</b>	<b>1</b>
1. INTRODUCTION	3
2. DETAILS OF THE PROPOSALS	4
3. RATIONALE OF THE PROPOSALS	11
4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS	15
5. RISK FACTORS	18
6. EFFECTS OF THE PROPOSALS	19
7. HISTORICAL SHARE PRICE PERFORMANCE	22
8. APPROVALS REQUIRED	23
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	23
10. HIGHEST PERCENTAGE RATIO	24
11. TRANSACTIONS WITH THE SAME RELATED PARTY FOR THE PAST 12 MONTHS	24
12. AUDIT COMMITTEE'S STATEMENT	24
13. DIRECTORS' STATEMENT AND RECOMMENDATION	24
14. ADVISER	24
15. ESTIMATED TIMEFRAME FOR COMPLETION	25
16. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	25
17. EGM	25
18. FURTHER INFORMATION	26
<b>PART B</b>	
<b>INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSALS</b>	
<b>APPENDICES</b>	
I SALIENT TERMS OF THE JVA	58
II SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT	62
III SALIENT TERMS OF THE PPA	64
IV FURTHER INFORMATION	69
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>FORM OF PROXY</b>	<b>ENCLOSED</b>

## **PART A**

### **LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSALS**

## EXECUTIVE SUMMARY

---

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE APPENDICES, BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED.**

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
Summary	<p>: <b><u>Proposed Joint Venture</u></b> Proposed joint venture between the JV Parties for the LSS Plant Project.</p> <p><b><u>Proposed Private Placement</u></b> Proposed private placement of up to 1,227,685,900 new SCBUILD/0109 Shares, representing not more than 30% of the total number of issued SCBUILD/0109 Shares.</p>	Section 2
Rationale	<p>: <b><u>Proposed Joint Venture</u></b> The main objective of the Proposed Joint Venture is undertaken to develop the LSS Plant Project, which is in line with the Group's strategies in the renewable energy industry as set out in Section 4.3 of Part A of this Circular. AMSB is a 100% Bumiputera company and currently registered with Construction Industry Development Board (CIDB) G7 and Sustainable Energy Development Authority (SEDA) as a registered photovoltaic service provider, and was certified compliant with ISO 9001:2015 Quality Management Systems. Through the Proposed Joint Venture, the JV Parties shall deploy their combined expertise in the renewable energy industry to undertake the LSS Plant Project. The Board is confident that the Proposed Joint Venture will contribute positively to the future earnings of the Group.</p> <p><b><u>Proposed Private Placement</u></b> After due consideration of the various options available, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Group due to the following reasons:</p> <ul style="list-style-type: none"><li>(i) the Proposed Private Placement will enable the Group to raise funds more expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a pro-rata issuance of securities like rights issue, which would typically entail longer implementation process and significantly dependent on the market sentiment. Additionally, rights issue also requires an underwriting arrangement or undertaking commitment from shareholders, in spite of the current uncertain economy condition;</li><li>(ii) the Proposed Private Placement is expected to strengthen the shareholders and capital base of the Group;</li><li>(iii) the Proposed Private Placement will serve as an additional source of funding for the Group without incurring interest expenses as compared to borrowings; and</li><li>(iv) the Proposed Private Placement will improve the liquidity and financial flexibility of the Group by strengthening its financial position.</li></ul>	Section 3

## EXECUTIVE SUMMARY

Key information	Description	Reference to Circular
Approvals required	<p>: The Proposals are subject to the approvals being obtained from the following:</p> <ul style="list-style-type: none"> <li>(a) Bursa Securities, which was obtained vide its letter dated 5 June 2025, for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities;</li> <li>(b) shareholders of SCBUILD/0109 at a forthcoming EGM to be convened; and</li> <li>(c) any other relevant authorities and/or parties, if required.</li> </ul> <p>The Proposed Private Placement is conditional upon the Proposed Joint Venture. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by SCBUILD/0109.</p>	Section 7
Interests of Directors, major shareholders, chief executive and/or persons connected with them	<p>: Save as disclosed below, none of the Directors, major shareholders, chief executive or persons connected with them have any interest, direct or indirect, in the Proposals:</p> <ul style="list-style-type: none"> <li>(a) Loh Boon Ginn, being the Chairman and Managing Director/Chief Executive Officer and substantial shareholder of the Company, is the director of SCECSB and AMSC Solar. He is also the spouse of Kuay Jeaneve and the brother of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109; and</li> <li>(b) Kuay Jeaneve, the Deputy Executive Chairman of the Company, is the director of AMSB and AMSC Solar. She is also the spouse of Loh Boon Ginn and sister-in-law of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109.</li> </ul>	Section 9
Directors' statement and recommendation	<p>: The Board (save for the Interested Directors who have abstained from the Proposals) after having considered all relevant aspects of the Proposals (including but not limited to the terms of the Proposed Joint Venture, rationale and financial effects of the Proposals) as well as the opinion by the Independent Adviser on the Proposals, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, the Board (save for the Interested Directors) recommends that you <b>VOTE IN FAVOUR</b> of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 13

[ The rest of this page is intentionally left blank ]



**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

13 June 2025

**Board of Directors**

Loh Boon Ginn (*Chairman and Managing Director/Chief Executive Officer*)

Kuay Jeaneve (*Deputy Executive Chairman*)

Loh Shy Tyug (*Non-Independent Executive Director*)

Loh Shy Ming (*Non-Independent Executive Director*)

Josipinna Binti Pudun (*Independent Non-Executive Director*)

Loo Tze Ming (*Independent Non-Executive Director*)

Chu Wooi Siong (*Independent Non-Executive Director*)

To: The shareholders of SCBUILD/0109

Dear Sir/Madam,

**(I) PROPOSED JOINT VENTURE; AND  
(II) PROPOSED PRIVATE PLACEMENT**

**(COLLECTIVELY, THE "PROPOSALS")**

**1. INTRODUCTION**

On 24 July 2024, the Board announced that SCECSB had on even date entered into the JVA.

On 21 February 2025, M&A Securities had, on behalf of the Board, announced that the Company intends to undertake the Proposed Private Placement.

On 5 March 2025, the Board announced that SCECSB and AMSB had on 2 March 2025 entered into the Supplemental Agreement to vary the JVA.

On 5 June 2025, M&A Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 5 June 2025, granted its approval for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities.

Bursa Securities' approval is subject to the following conditions:

<b>No.</b>	<b>Conditions</b>	<b>Status of compliance</b>
1.	SCBUILD/0109 and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied

No.	Conditions	Status of compliance
2.	SCBUILD/0109 and M&A Securities to inform Bursa Securities upon the completion of Proposed Private Placement;	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 Proposed Private Placement is completed; and	To be complied
4.	SCBUILD/0109 to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed Joint Venture and Proposed Private Placement.	To be complied

The Proposed Joint Venture is deemed to be a related party transaction pursuant to Rule 10.09 of the Listing Requirements in view of the interest of the Interested Directors as set out in Section 9 of Part A of this Circular. The Interested Directors are also deemed to be interested in the Proposed Private Placement in view that the Proposed Private Placement is conditional upon the Proposed Joint Venture. Accordingly, AER has been appointed as the Independent Adviser for the Proposals.

**THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK THE APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE SAME TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR IN RELATION TO THE PROPOSALS TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

## 2. DETAILS OF THE PROPOSALS

### 2.1 Proposed Joint Venture

Subsequent to the JVA as set out in Appendix I of this Circular, on 15 January 2025, the Board announced that the Consortium had on 23 December 2024 received a letter of notification from Suruhanjaya Tenaga dated 23 December 2024 as the shortlisted bidder for the development of the LSS Plant of 4.00 MW in Arau, Perlis. On 7 January 2025, a special purpose vehicle, AMSC Solar was incorporated to undertake the development of the LSS Plant Project with an issued share capital of RM100 comprising 2,000 ordinary shares. In view of the incorporation of AMSC Solar, SCECSB and AMSB had on 2 March 2025 entered into the Supplemental Agreement to vary the JVA. The salient terms of the Supplemental Agreement are set out in Appendix II of this Circular. The directors of AMSC Solar are Loh Boon Ginn and Kuay Jeaneve. The respective shareholdings of the directors and shareholders in AMSC Solar are as follows:

Names	Designation	Nationality / Country of incorporation	Direct		Indirect	
			No. of shares held	%	No. of shares held	%
Loh Boon Ginn	Director	Malaysian	-	-	-	-
Kuay Jeaneve	Director	Malaysian	-	-	<sup>(1)</sup> 1,200	60.0
SCECSB	Shareholder	Malaysia	800	40.0	-	-
AMSB	Shareholder	Malaysia	1,200	60.0	-	-
<b>Total</b>			<b>2,000</b>	<b>100.0</b>	-	-

**Note:**

(1) Deemed interested by virtue of Section 8(4) of the Companies Act, 2016, through her shareholding in AMSB.

At this juncture, AMSC Solar does not anticipate increasing its share capital in the foreseeable future. The current share capital of AMSC Solar is deemed sufficient, as the funding required for the LSS Plant Project will be fully borne by SCECSB, including RM5.00 million from the Proposed Private Placement and RM10.00 million from internally generated funds and/or bank borrowings. Any potential change to the capital structure will be subject to future funding requirements of AMSC Solar, which will be assessed based on the financial needs of AMSC Solar as and when additional projects are secured, or new investment opportunities arise.

The LSS Plant Project was awarded on 3 March 2025, being the date on which AMSC Solar entered into the PPA. The salient terms of the PPA are set out in Appendix III of this Circular.

**2.1.1 Information on SCECSB**

SCECSB is a private limited company incorporated in Malaysia on 23 July 2012 under the Companies Act, 1965. SCECSB is principally involved in project management of construction projects, which includes amongst others, planning, designing as well as building residential and infrastructure projects.

As at the LPD:

- (i) the total issued share capital of SCECSB is RM1,000,000.00 comprising 19,998,100 ordinary shares;
- (ii) the sole director of SCECSB is Loh Boon Ginn; and
- (iii) the sole shareholder of SCECSB is SCBUILD/0109.

**2.1.2 Information on AMSB**

AMSB is a private limited company incorporated in Malaysia on 16 November 1987 under the Companies Act, 1965. AMSB is principally a tour and travel agency as well as a G7 Construction Industry Development Board (CIDB) contractor in the construction industry. AMSB is also a registered PV service provider with Sustainable Energy Development Authority (SEDA) that is authorised to provide services related to solar photovoltaic (PV) systems, including design, supply, installation, testing and commissioning.

As at the LPD:

- (i) the total issued share capital of AMSB is RM850,000.00 comprising 850,000 ordinary shares; and
- (ii) the directors and shareholders of AMSB are Kuay Jeaneve and Jeannieca Kuay Jin Wen. Details of the shareholdings are as follows:

<b>Shareholders</b>	<b>Nationality</b>	<b>No. of shares held</b>	<b>%</b>
Kuay Jeaneve	Malaysian	826,000	97.18
Jeannieca Kuay Jin Wen	Malaysian	24,000	2.82
		<b>850,000</b>	<b>100.0</b>

### **2.1.3 Fundings required and sources of funding**

Under the JVA, all costs and expenses incurred for the LSS Plant Project shall be fully borne by SCECSB. As such, the investment outlay from SCECSB for the Proposed Joint Venture shall be approximately RM15.00 million for the LSS Plant Project, which will be funded via the proceeds raised from the Proposed Private Placement as set out in Section 2.2.5 of Part A of this Circular as well as internally generated funds and/or bank borrowings of the Group. As at the LPD, the Group has not secured any bank borrowings. Hence, the exact proportion of which cannot be determined at this juncture.

In the event the Proposed Private Placement is not approved or not sufficient to partially fund the LSS Plant Project, the LSS Plant Project will be funded via internally generated funds and/or bank borrowings.

## **2.2 Proposed Private Placement**

As at LPD, SCBUILD/0109 has the following securities:

- (a) an issued share capital of RM60,847,960 comprising 4,092,286,363 SCBUILD/0109 Shares; and
- (b) up to 122,768,591 Options which may be offered under the long-term incentive plan and exercisable into 122,768,591 new Shares.

As at the LPD, there are no Options which have been granted but are yet to be exercised. For the purpose of the Proposed Private Placement, the Company undertakes not to grant any additional Options or award any new SCBUILD/0109 Shares from the LPD up to the completion of the Proposed Private Placement.

The Proposed Private Placement entails the issuance of up to 1,227,685,900 Placement Shares, representing not more than 30% of the total number of issued SCBUILD/0109 Shares as at LPD.

The actual number of Placement Shares to be issued will be determined at a later date, after obtaining the relevant approvals as stated in Section 8 of Part A of Circular. The aggregate actual number of Placement Shares to be issued shall not exceed 30% of the total number of Shares in issue at any point in time.

Subject to the prevailing market conditions and depending on investors' interest at the point of implementation, the Proposed Private Placement may be implemented in a single or multiple tranche(s) within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or such other approved extended period. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation.

### **2.2.1 Basis of arriving at the issue price of the Placement Shares**

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately (in accordance with market-based principles) and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. The Board will take into consideration amongst others, the prevailing market conditions in determining the issue price of the Placement Shares which shall be at a discount of not more than 20.0% to the 5D-VWAMP of SCBUILD/0109 Shares immediately preceding the price fixing date(s).

The discount of up to 20.0% for the Proposed Private Placement will provide the Company with more flexibility when fixing the issue price of the Placement Shares and will increase the attractiveness for placees to subscribe for the Placement Shares from time to time.

For illustrative purposes, assuming the Placement Shares are issued at the Indicative Issue Price, the issue price of the Placement Shares would represent a discount of approximately 14.1% or RM0.0014 to the 5D-VWAMP of SCBUILD/0109 Shares up to and including 7 March 2025 of RM0.0099.

Based on the Indicative Issue Price, the Proposed Private Placement will raise gross proceeds of up to RM10.44 million.

#### **2.2.2 Placement arrangement**

The Placement Shares will be placed to independent third-party investor(s), where they shall be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007, who shall be identified at a later date.

In accordance with Rule 6.07(1) of the Listing Requirements, the Placement Shares will not be placed to the following parties:

- (i) directors, major shareholders or chief executive of the Company; and
- (ii) a person connected with an interested director, interested major shareholder or interested chief executive.

#### **2.2.3 Ranking of the Placement Shares**

The Placement Shares shall, upon issuance and allotment, rank equally in all respects with the then existing issued SCBUILD/0109 Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

#### **2.2.4 Listing of and quotation for the Placement Shares**

Bursa Securities had, vide its letter dated 5 June 2025, approved the listing of and quotation for 1,227,685,900 Placement Shares to be issued on the ACE Market of Bursa Securities pursuant to the Proposed Private Placement.

#### **2.2.5 Utilisation of proceeds**

For illustrative purposes, the placement proceeds to be raised from the Proposed Private Placement based on the Indicative Issue Price are expected to be utilised by SCBUILD/0109 Group in the following manner:

<b>Details</b>	<b>Notes</b>	<b>RM'000</b>	<b>#Expected timeframe for utilisation of proceeds</b>
Funding for the Group's projects	(a)	7,000	Within 12 months
Working capital	(b)	2,825	Within 12 months
Estimated expenses for the Proposals	(c)	610	Immediately
<b>Total</b>	<b><u>10,435</u></b>		

#### **Notes:**

# From the listing date of Placement Shares on the ACE Market of Bursa Securities.

(a) The Group intends to utilise RM7.00 million of the proceeds of the Proposed Private Placement as funding for its ongoing projects as well as future projects to be secured by the Group. The breakdown of proceeds to be allocated for the construction projects are as follows:

<b>Details</b>	<b>Sub-notes</b>	<b>RM'000</b>
Funding for the LSS Plant Project	(i)	5,000
Funding for future projects to be undertaken	(ii)	2,000
<b>Total</b>		<b>7,000</b>

**Sub-notes:**

(i) The Group intends to allocate RM5.00 million of the proceeds raised from the Proposed Private Placement to partially finance the LSS Plant Project, which is expected to commence in the second half of 2025, subject to obtaining all necessary regulatory approvals. The LSS Plant Project is targeted to be completed and achieve commercial operations by 30 June 2027. The breakdown of which is as follows:

<b>Details</b>	<b>RM'000</b>
Preliminary costs <sup>(1)</sup>	2,370
Site preparation costs <sup>(2)</sup>	1,180
Installation costs <sup>(3)</sup>	1,450
<b>Total</b>	<b>5,000</b>

**Notes:**

(1) Pertains to the upfront expenses required for site mobilisation such as project and site management, site clearance, purchases of machineries and equipment as well as construction of temporary facilities.

(2) Pertains to the physical groundwork and infrastructure works for site preparation such as earthwork bulk excavation, temporary project signboards, road works and draining works.

(3) Pertains to the set up and installation for the solar PV system such as assembly of the mounting structure and piling works, solar panels, string inverter system as well as direct current (DC) and alternating current (AC) cabling.

(ii) The Group intends to allocate RM2.00 million of the proceeds raised from the Proposed Private Placement to fund its future projects in the construction and renewable energy industry, enabling the Group to secure opportunities that may arise unexpectedly, ensuring its ability to swiftly seize and secure the potential projects. The future projects are expected to comprise both projects to be tendered for and awarded by third-party clients, as well as those that may be secured through direct negotiations or other non-tender arrangements. The mode of securing such projects will depend on the nature, scope, and requirements of the respective clients and opportunities. As at the LPD, the Group has yet to identify any potential projects. However, the Group remains actively engaged in identifying and evaluating viable projects that align with its prospects as set out in Section 4.3 of Part A of this Circular.

- (b) The Group intends to allocate up to RM2.83 million of the proceeds raised from the Proposed Private Placement for the working capital requirements of its day-to-day operations which include, amongst others, staff salaries, rental and cost to upkeep office equipment as well as utilities expenses. As the actual utilisation of these proceeds will depend on the prevailing operating needs of SCBUILD/0109 Group at the time when the proceeds are received, a further breakdown of the proposed utilisation of proceeds for working capital cannot be determined at this juncture.
- (c) The estimated expenses consist of fees payable to the relevant authorities, advisory fees, placement fees and other miscellaneous expenses to be incurred pursuant to the Proposals. Any excess or deficit in the amount allocated for estimated expenses will be adjusted against the utilisation for the working capital requirements of the Group as set out in Section 2.2.5(b) above. The breakdown of the estimated expenses for the Proposals is illustrated below:

<b>Details</b>	<b>RM'000</b>
Professional fees <sup>(1)</sup>	325
Fees payable to authorities	15
Placement fees	260
Miscellaneous expenses <sup>(2)</sup>	10
<b>Total</b>	<b>610</b>

**Notes:**

- (1) Comprises the professional fees of the principal adviser, solicitors, independent market researcher, independent adviser, share registrar and company secretary.
- (2) Other incidental or related expenses such as out-of-pocket expenses in relation to the Proposals.

The actual proceeds to be raised from the Proposed Private Placement are dependent on the issue price of the Placement Shares and actual number of Placement Shares issued. Any excess or shortfall of the actual proceeds raised will be adjusted against the utilisation for the working capital requirements of the Group.

Pending the full utilisation of the proceeds raised from the Proposed Private Placement, the Company intends to place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital requirements of the Group, which include, amongst others, general administrative and daily operational expenses.

**[ The rest of this page is intentionally left blank ]**

## 2.2.6 Details of equity fundraising exercises undertaken in the past 5 years

Save as disclosed below, the Board confirms that the Company has not implemented any other fund-raising exercise within the 5 years preceding the date of this Circular:

(a) On 13 November 2020, SCBUILD/0109 had completed a private placement via the issuance of 75,000,000 Shares ("**Private Placement I**"). The details and status of the utilisation of proceeds from the Private Placement I as at the LPD are as follows:

	<b>Actual proceeds raised</b> <b>RM'000</b>	<b>Amount utilised as at LPD</b> <b>RM'000</b>	<b>Balance unutilised amount</b> <b>RM'000</b>	<b>Expected time frame for utilisation of proceeds from completion of the Private Placement I</b>
Working capital	2,930	2,930	-	Within 12 months
Expenses for Private Placement I	100	100	-	Immediate
<b>Total</b>	<b>3,030</b>	<b>3,030</b>	<b>-</b>	

(b) On 6 August 2021, SCBUILD/0109 had completed a private placement via the issuance of 116,000,000 Shares ("**Private Placement II**"). The details and status of the utilisation of proceeds from the Private Placement II as at the LPD are as follows:

	<b>Actual proceeds raised</b> <b>RM'000</b>	<b>Adjusted utilisation</b> <b>RM'000</b>	<b>Amount utilised as at LPD</b> <b>RM'000</b>	<b>Balance unutilised amount</b> <b>RM'000</b>	<b>Expected time frame for utilisation of proceeds from completion of the Private Placement II</b>
Working capital	6,461	6,514	6,514	-	Within 12 months
Expenses for Private Placement II	100	47	47	-	Immediate
<b>Total</b>	<b>6,561</b>	<b>6,561</b>	<b>6,561</b>	<b>-</b>	

(c) On 21 February 2024, SCBUILD/0109 had completed a rights issue exercise via the issuance of 2,148,181,818 new SCBUILD/0109 Shares ("**Rights Issue**"). The details and status of the utilisation of proceeds from the Rights Issue as at the LPD are as follows:

	<b>Actual proceeds raised</b> <b>RM'000</b>	<b>Amount utilised as at LPD</b> <b>RM'000</b>	<b>Balance unutilised amount</b> <b>RM'000</b>	<b>Expected time frame for utilisation of proceeds from completion of the Rights Issue</b>
Working capital	10,241	9,540	701	Within 24 months

	<b>Actual proceeds raised</b> <b>RM'000</b>	<b>Amount utilised as at LPD</b> <b>RM'000</b>	<b>Balance unutilised amount</b> <b>RM'000</b>	<b>Expected time frame for utilisation of proceeds from completion of the Rights Issue</b>
Expenses for Rights Issue	500	500	-	Immediate
<b>Total</b>	<b>10,741</b>	<b>10,040</b>	<b>701</b>	

### **3. RATIONALE OF THE PROPOSALS**

#### **3.1 Proposed Joint Venture**

The main objective of the Proposed Joint Venture is undertaken to develop the LSS Plant Project, which is in line with the Group's strategies in the renewable energy industry as set out in Section 4.3 of Part A of this Circular. AMSB is a 100% Bumiputera company and currently registered with Construction Industry Development Board (CIDB) G7 and Sustainable Energy Development Authority (SEDA) as a registered photovoltaic service provider, and was certified compliant with ISO 9001:2015 Quality Management Systems. Through the Proposed Joint Venture, the JV Parties shall deploy their combined expertise in the renewable energy industry to undertake the LSS Plant Project. Under the JVA, SCECSB shall mainly be responsible to secure funds and manage the implementation of the LSS Plant Project while AMSB shall jointly secure the LSS Plant Project with SCECSB. Further details are set out in Appendix I of Part A of this Circular. The Board is confident that the Proposed Joint Venture will contribute positively to the future earnings of the Group.

#### **3.2 Proposed Private Placement**

The Proposed Private Placement will enable the Group to raise additional funds as set out in Section 2.2.5 of Part A of this Circular.

After due consideration of the various options available, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Group due to the following reasons:

- (i) the Proposed Private Placement will enable the Group to raise funds more expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a pro-rata issuance of securities like rights issue, which would typically entail longer implementation process and significantly dependent on the market sentiment. Additionally, rights issue also requires an underwriting arrangement or undertaking commitment from shareholders, in spite of the current uncertain economy condition;
- (ii) the Proposed Private Placement is expected to strengthen the shareholders and capital base of the Group;
- (iii) the Proposed Private Placement will serve as an additional source of funding for the Group without incurring interest expenses as compared to borrowings; and
- (iv) the Proposed Private Placement will improve the liquidity and financial flexibility of the Group by strengthening its financial position.

### 3.3 Financial information of the Group

The summary of the financial information of the Group for the audited FYE 31 July 2021, 18-month FPE 31 January 2023, 18-month FPE 31 July 2024 as well as the unaudited FPE 31 January 2024 and FPE 31 January 2025 are as follows:

	Audited			Unaudited	
	FYE 31 July 2021 (Restated) RM'000	(a) 18-month FPE 31 January 2023 RM'000	(b) 18-month FPE 31 July 2024 RM'000	FPE 31 January 2024 RM'000	FPE 31 January 2025 RM'000
Revenue	3,351	2,474	9,218	2,662	8,050
PBT/(LBT)	(1,733)	(3,510)	(12,247)	(301)	1,231
PAT/(LAT)	(1,742)	(3,986)	(12,243)	(305)	1,231
Share capital	39,855	40,868	60,848	40,868	60,848
NA	37,196	34,222	41,960	33,091	43,191
Weighted average no. of Shares in issue ('000)	972,800	1,073,954	1,904,196	1,074,091	4,092,286
NA per share (RM)	0.04	0.03	0.02	0.03	0.01
Basic EPS/(LPS) (sen)	(0.18)	(0.37)	(0.64)	(0.03)	0.03
Borrowings	94	-	211	-	202
Gearing ratio (times)	~	-	0.01	-	~
Current assets	1,733	2,802	9,312	6,380	11,305
Current liabilities	3,037	2,583	6,532	4,998	1,922
Current ratio (times)	0.57	1.08	1.43	1.28	5.88

#### Notes:

~ Less than 0.01.

- (a) On 22 August 2022, the Company announced that SCBUILD/0109's FYE had changed from 31 July to 31 January.
- (b) On 28 December 2023, the Company announced that SCBUILD/0109's FYE had changed from 31 January to 31 July.

#### Commentaries:

##### (i) FPE 31 January 2025

For the FPE 31 January 2025, the Group recorded a revenue of RM8.05 million which represents an increase of RM5.39 million or 202.63% as compared to RM2.66 million for the FPE 31 January 2024. The revenue for the FPE 31 January 2025 was derived from the disposal of 2 property development lands amounting to RM5.45 million and RM2.60 million, respectively.

The Group recorded a PAT of RM1.23 million for FPE 31 January 2025, which represents an increase of RM1.54 million or 503.61% as compared the LAT of RM0.31 million for the FPE 31 January 2024. The increase in PAT was in line with the increase in revenue.

**(ii) 18-month FPE 31 July 2024**

For the 18-month FPE 31 July 2024, the Group recorded a revenue of RM9.22 million or RM6.15 million on an annualised basis. The annualised revenue of RM6.15 million represents an increase of RM4.50 million or 272.73% as compared to the annualised revenue of RM1.65 million for the 18-month FPE 31 January 2023. The increase in revenue was mainly attributed to higher sales volume of the Group's trading of building materials segment driven by stronger demand in the construction industry, following the recovery of construction activities post COVID-19 pandemic.

The Group recorded a LAT of RM12.24 million or RM8.16 million on an annualised basis, which represents an increase of RM5.50 million or 206.77% as compared to the annualised LAT for the 18-month FPE 31 January 2023. The increase in LAT was due to the increase in operating and administration expenses by RM6.12 million or 240.00% from RM2.55 million in the 18-month FPE 31 January 2023 to RM8.67 million (annualised operating and administration expenses) in the 18-month FPE 31 July 2024 mainly due to higher staff costs as well as the recognition of share grant expenses.

**(iii) 18-month FPE 31 January 2023**

For 18-month FPE 31 January 2023, the 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, the Group has been actively seeking for new projects for its construction business.

The 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.

**(iv) FYE 31 July 2021**

For FYE 31 July 2021, the 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 the 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.

The 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% which was mainly contributed by increase in construction cost.

### **3.4 Impact and value creation from the Proposed Private Placement and Proposed Joint Venture to the Group and its shareholders**

In an effort to support the LSS Plant Project and turnaround the Group's businesses, the Company proposes to undertake the Proposed Private Placement in order to raise additional funding to meet the intended utilisations as set out in Section 2.2.5 of Part A of this Circular. The potential benefits and value accretion that the Group may achieve from the Proposed Private Placement are as follows:

- (i) the Proposed Private Placement will enable the Group to have sufficient funds to fund the LSS Plant Project. The timely completion of the LSS Plant Project will enable the Group to generate revenue therefrom, which will support the Group's future business operations such as pursuing future projects;
- (ii) the Proposed Private Placement will serve as an additional source of funding for the Group without incurring interest expenses as compared to conventional means of debt financing, in addition to strengthening the capital structure of the Group by increasing the capital base of the Group;
- (iii) the Proposed Private Placement will provide an opportunity for the introduction of new investors to participate in the equity of the Company, its future prospects and growth as well as broadening the shareholders base of the Company; and
- (iv) the Proposed Private Placement is expected to increase the Group's NA from approximately RM41.96 million (as at 31 July 2024) to RM51.79 million (after the effects of the Proposals). The increase in the Group's NA position will strengthen the capital base of the Group, the enlarged issued share capital of the Group will increase shareholders' equity and enhance the overall financial position of the Group.

### **3.5 Adequacy of the Proposed Private Placement and Proposed Joint Venture in addressing the Company's financial concerns**

Premised on the rationales as disclosed in Section 3.2 of Part A of this Circular and after taking into consideration the value creation arising from the Proposed Private Placement as disclosed in Section 3.4 of Part A of this Circular, the Board is of the opinion that the Proposed Private Placement serves as an expedient means to meet the Group's immediate cash flow requirements in short term without relying on further debt financing which will result in higher finance costs to be incurred.

As majority of the gross proceeds to be raised from the Proposed Private Placement is earmarked for the LSS Plant Project and future projects to be undertaken, the progressive completion of the projects would enable the Group to enhance its financial performance.

As such, the Board, after having considered all aspects of the Proposed Private Placement, is of the view that the Proposed Private Placement is adequate in addressing the Group's current financial concerns, maximising shareholders' value and improving the Group's financial position.

### **3.6 Steps undertaken to improve the financial conditions of the Group**

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

- (i) the Group has undertaken several fund-raising exercises in the past 5 years, which include the Proposed Private Placement I, Proposed Private Placement II and Rights Issue. Further details of the fund-raising exercises are set out in Section 2.2.6 of Part A of this Circular;
- (ii) to further improve the Group's financial performance, the Group will undertake regular reviews of its cost structure with an aim of reducing office and administrative expenses for its operations; and

- (iii) the Group has carried out efforts to expand its business by actively participating in open tenders in the renewable energy industry. As at LPD, the Group has successfully secured the LSS Plant Project, further details of which are set out in Section 2.1 of Part A of this Circular. In addition, the Group intends to utilise part of the gross proceeds raised from the Proposed Private Placement to fund its future projects to be undertaken.

## **4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS**

### **4.1 Overview and outlook of the Malaysian economy**

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap ("NETR") and New Industrial Master Plan 2030, have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of information and communication technology ("ICT") related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the electrical and electronics segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil and demand from food-related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shutdown for maintenance purposes.

On the demand side, growth will be buoyed by strong private sector expenditure and stable global trade. Accounting for about 60% of the economy, private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation. Gross fixed capital formation or total investment remains high, underpinned by the realisation of private investment, acceleration of public sector strategic projects and initiatives under the Government-linked Enterprises Activation and Reform Programme (GEAR-uP) as well as new and ongoing multi-year projects in the services and manufacturing sectors.

The external sector is expected to continue expanding in 2025, supported by steady global demand. Robust trade activities are projected to contribute to a surplus in the goods account, while the services account is anticipated to post a narrowing deficit attributed to vigorous tourism activities. The income accounts are forecast to continue recording net outflows resulting from a ramp-up in investment activities. Hence, the current account is projected to register a healthier surplus of RM49.1 billion or 2.4% of gross national income.

On the income side, the compensation of employees is anticipated to grow supported by, among others, the implementation of the new minimum wage rate and upward salary revision for civil servants. This is also backed by sustained economic growth which will provide better employment opportunities for the rakyat.

However, as an open economy, Malaysia remains susceptible to global vulnerabilities which may pose risks to the nation's economic growth. These include the escalation of geopolitical tensions, supply chain disruptions, volatility in financial market conditions and varying growth prospects across economies. Therefore, the Government remains resolute in ensuring the continuous implementation of pragmatic measures and initiatives to further strengthen the economy.

*(Source: Economic Outlook 2025, Ministry of Finance Malaysia)*

For the year as a whole, the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and a rebound in exports.

*(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)*

#### **4.2 Overview and outlook of the renewable energy industry in Malaysia**

The NETR outlines a significant increase in RE adoption in Malaysia, targeting a rise from 4.0% of Malaysia's total primary energy supply ("TPES") in 2023 to 23.0% by 2050. This transition will be driven by increased utilisation of renewable energy ("RE") while reducing reliance on non-renewable sources namely, natural gas, oil and coal within the energy mix. To bolster the growth of RE industry, the Government has introduced several initiatives, including the Green Investment Tax Allowance and Green Income Tax Exemption, which provide tax incentives for the consumption and production of RE from 2024 to 2026. Additionally, under budget 2025, the Government has extended the Green Technology Financing Scheme worth RM1.00 billion to 2026 and allocated another RM300.0 million to the National Energy Transition Facility Fund to provide financing to energy transition projects, including those related to solar PV technology.

Malaysia possesses abundant RE resources, with an estimated technical potential of nearly 290.0 gigawatts ("GW") nationwide. Notably, the technical potential for solar PV alone is projected to reach 269.0 GW. Currently, only a small fraction of this RE potential has been tapped, with just over 9.8 GW of installed capacity realised, indicating vast untapped opportunities within the RE industry. According to the NETR, RE is projected to constitute the majority share of installed capacity, with solar PV taking leading at approximately 56 GW, followed by hydro (~10.7 GW) and bioenergy (~1 GW). Malaysia is an optimal location for harnessing solar energy given its geographical location near the equator, which provides it approximately 1,575 to 1,812 kilowatt-hour/metre<sup>2</sup> of solar irradiance, suggesting abundance of sunlight for harnessing solar energy. Malaysia also has high availability of areas for solar PV installations, including on unused land, floating installation on water bodies and installation on rooftops. Going forward, solar PV installation is expected to be the main contributor to the growth of RE share of installed capacity.

To achieve a higher share of solar PV in the energy mix, the Government has launched initiatives that include the implementation of the Net Energy Metering ("NEM") programme, LSS programme, Corporate Green Power ("CGPP") programme and the Corporate Renewable Energy Supply Scheme ("CRESS"). The cumulative solar PV installed capacity in Malaysia grew at a compound annual growth rate ("CAGR") of 28.6% from 1,483 MW in 2020 to 3,152 MW in 2023. Going forward, the growth of solar PV installed capacity in Malaysia will be driven by the remaining quotas from the NEM 3.0 and LSS programmes. The NEM 3.0 programme which has a total allocation 2,400MW (600MW for NEW Rakyat, 100MW for NEM GoMEN and 1,700MW for NOVA), recently received an additional 100MW quota for NEM Rakyat in May 2025. Additionally, the LSS5 and LSS Petra 5+ programmes, which have quotas of 2,000 MW each, with the bidding process for LSS Petra 5+ having opened in January 2025 and projects are expected to commence commercial operations in 2027.

Furthermore, the Government has taken steps to liberalise the electricity market, allowing solar power producers to gain third-party access under CGPP and CRESS to the grid, enabling them to sell electricity directly to power purchasers. Additionally, solar power producers can sell electricity to the national grid through a bidding system under the New Enhanced Dispatch Arrangement. The Green Electricity Tariff programme and the Solar for Rakyat Incentive Scheme provides further incentives such as RE certificates and cash rebates to support the adoption of solar PV solutions. Malaysia's commitment to

the transition to RE, particularly solar energy, has cultivated a positive and promising outlook for the industry. In the long term, the RE industry is expected to provide a viable solution, meeting Malaysia's increasing energy demand, which is driven by population and economic growth as well as urbanisation. Malaysia's population is projected to increase from 34.1 million in 2024 to 40.0 million by 2050, while the urbanisation rate is expected to increase from 75.1% in 2020 to reach 85.0% by 2040.

However, demand for RE will be influenced by fluctuations in oil price, interest rates and material costs. Oil prices stood at USD68 in April 2025 and are expected to experience downward pressure in 2025 and 2026 due to increased production, potentially slowing the shift to RE. Although Bank Negara Malaysia has maintained its Overnight Policy Rate at 3.0% for several consecutive meetings, including May 2025, the broader global interest rates environment and intensifying global trade tensions impacting inflation could still influence the financing cost of solar PV installations. Conversely, depressed solar PV module prices will benefit the local solar PV industry by lowering the cost of solar panels.

On the supply side, growth in the RE industry is primarily shaped by the Government's commitment towards low-carbon development and sustainable economic restructuring as outlined in the NETR. Malaysia's transition from a traditional fossil fuel-based economy to a high-value green economy is anticipated to significantly benefit the RE industry, particularly the solar PV industry. Solar PV installed capacity grew by 28.6% to reach an estimated 4,356 MW in 2024 and is forecast to expand at a CAGR of 19.9% during the period of 2025 to 2029 from to reach 10,770 MW.

*(Source: IMR Report prepared by Protégé)*

#### **4.3 Prospects of SCBUILD/0109 Group**

The 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. SC Estate Energy Sdn Bhd and SCECSB, both wholly-owned subsidiaries of SCBUILD/0109, are registered as Solar Photovoltaic ("PV") Investors under the Sustainable Energy Development Authority (SEDA) Malaysia, enabling their participation in solar energy development initiatives. Additionally, SC Estate IBS Sdn Bhd, another wholly-owned subsidiary of SCBUILD/0109, holds a Grade 7 (G7) registration with the Construction Industry Development Board (CIDB) Malaysia.

In line with Malaysia's NETR and its goal of achieving 70% installed renewable energy capacity by 2050, SCBUILD/0109 aims to develop **2,000 to 3,000 MW** of solar power plants and rooftop solar installations, supporting the country's transition towards clean energy. The Group plans to invest up to RM13.5 billion in renewable energy over the next 10 years.

NETR's Responsible Transition strategy estimates investment opportunities of RM1.2 trillion to RM1.3 trillion by 2050, with solar PV expected to be the primary driver of this growth. In alignment with these national objectives, SCBUILD/0109 is actively participating in renewable energy tenders, including its recent shortlisting for the LSS Plant Project, which is expected to be commenced by second half of 2025, as set out in Sections 2.1 and 2.2.5 of Part A of this Circular. As at the LPD, save for the LSS Plant Project, SCBUILD/0109 has not undertaken any other solar PV plant projects.

As part of the Mid-Term Review of the Twelfth Malaysia Plan, the Malaysian government has outlined Big Bold 4 (accelerating renewable energy transition) and Big Bold 8 (providing 500,000 affordable housing units). In line with the government's affordable housing objectives, SCBUILD/0109 intends to develop **2,000 to 3,000** affordable housing units, which will incorporate solar power on the roof, electric vehicle charging stations, and other sustainable infrastructure elements, contributing to sustainability and quality of life.

SCBUILD/0109 recognizes the importance of the Environmental, Social and Governance practices in ensuring business sustainability and reducing carbon emissions. The Group aims to achieve Net Zero Carbon Emissions by 2050, aligning with industry best practices by investing in renewable energy, sustainable construction, and green technologies. Looking ahead, the Group is exploring opportunities in electric vehicle charging infrastructure and related industries as part of its long-term growth strategy.

After taking into consideration the above efforts by the Group as well as the outlook of the Malaysian economy and the renewable energy sector in Malaysia as set out in Sections 4.1 and 4.2 of Part A of this Circular, barring any unforeseen circumstances, the Board is cautiously optimistic of the Group's prospects moving forward.

*(Source: Management of SCBUILD/0109)*

## **5. RISK FACTORS**

### **5.1 Completion risk**

Completion of the LSS Plant Project is dependent on factors, which include, amongst others, obtaining the necessary permits and/or approvals from the relevant government agencies and/or authorities, weather conditions, adequacy of supply of raw materials and availability of labour. Delays in the completion of the LSS Plant Project may result in cost overruns and reputational risks such as, amongst others, the possibility of enforcement of the late delivery penalties by the project owners. There can be no assurance that there will not be any delays in the completion of the LSS Plant Project. Such delays could have a material adverse impact on the financial performance of the Group.

The Group seeks to mitigate such risks by closely monitoring and supervising the progress of the LSS Plant Project to ensure meeting completion deadlines.

### **5.2 Competition risk**

The Group will face competition from both new entrants and established players in the renewable energy industry. This would result in competition in various aspects including financial position and strength, ability to obtain adequate financing, reputation for safety, quality and track record for timely completion of the LSS Plant Project. There can be no assurance that the aforesaid factors will not have an adverse impact on the financial performance of the Group.

The Group seeks to mitigate the risks by focusing on completing the LSS Plant Project in a timely and cost-efficient manner, supported by strong project management practices and close monitoring of key milestones. This would establish the Group's track record and reputation in the renewable energy industry thereby allowing the Group to distinguish itself from its competitors.

### **5.3 Political, economic and regulatory risk**

Any adverse developments in the political, economic, regulatory and social conditions in Malaysia of which the new businesses operate, directly or indirectly, could materially and adversely affect the Group. These risks include, amongst others, economic downturn and unfavourable changes in governmental policies such as methods of taxation, currency exchange rules or introduction of new regulations, which are generally beyond the management's control and affect all the players in the industry.

In mitigating such risks, SCBUILD/0109 will continue to monitor and review its business strategies in response to the changes in political, economic and regulatory conditions.

**[ The rest of this page is intentionally left blank ]**

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share capital

The Proposed Joint Venture will not have any effect on the issued share capital of the Company as it does not involve any issuance of new SCBUILD/0109 Shares.

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are set out below:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at LPD	(1) 4,092,286,363	60,847,960
Placement Shares to be issued pursuant to the Proposed Private Placement	1,227,685,900	(2) 10,435,330
<b>Enlarged issued share capital</b>	<b>5,319,972,263</b>	<b>71,283,290</b>

**Notes:**

(1) As at LPD, the Company does not have any treasury shares.

(2) Based on the Indicative Issue Price.

### 6.2 NA and gearing

The Proposed Joint Venture will not have any material effects on the NA and gearing of the Group. The gearing ratio of the Group is expected to increase in the event that part of the project cost is funded by bank borrowings.

The pro forma effects of the Proposals on the NA and gearing of the Group based on the audited consolidated financial statements of SCBUILD/0109 as at 31 July 2024 are as follows:

Audited as at 31 July 2024	RM'000	After Proposed Private Placement		RM'000	After Proposed Private Placement and Proposed Joint Venture		
		After Proposed Private Placement			After Proposed Private Placement and Proposed Joint Venture		
		RM'000	RM'000		RM'000	RM'000	
Share capital	60,848	(1) 71,283	71,283				
Accumulated losses	(18,888)	(2) (19,498)	(19,498)				
<b>Total Equity</b>	<b>41,960</b>	<b>51,785</b>	<b>51,785</b>				
No. of Shares ('000)	4,092,286	5,319,972	5,319,972				
Borrowings (RM'000)	211	211	(5) 10,211				
NA per Share (RM) <sup>(3)</sup>	0.01	0.01	0.01				
Gearing (times) <sup>(4)</sup>	0.01	~	0.20				

**Notes:**

~ Less than 0.01.

(1) Based on issuance of 1,227,685,900 Placement Shares at the Indicative Issue Price.

(2) After deducting the estimated expenses relating to the Proposals of approximately RM0.61 million.

(3) Computed by taking the total equity of the Company divided by the number of Shares in issuance.

- (4) Computed by taking the borrowings over the total equity of the Company.
- (5) Assuming the remaining RM10.00 million of the project cost will be financed via bank borrowings to illustrate the potential impact of the gearing position.

**[ The rest of this page is intentionally left blank ]**

### 6.3

### **Substantial shareholder's shareholdings**

The Proposed Joint Venture will not have any effect on the substantial shareholders' shareholding in the Company as it does not involve any issuance of new SCBUILD/0109 Shares.

The pro forma effects of the Proposed Private Placement on the shareholdings of the substantial shareholders of SCBUILD/0109 are set out in the table below:

<b>Substantial shareholders</b>	<b>As at the LPD</b>				<b>After the Proposed Private Placement</b>			
	<b>Direct</b>	<b>No. of Shares</b>	<b>(1) %</b>	<b>Indirect</b>	<b>Direct</b>	<b>No. of Shares</b>	<b>(2) %</b>	<b>No. of Shares</b>
Loh Boon Ginn	212,013,636	5.18	-	-	212,013,636	3.99	-	-
Castle Prosperity Sdn Bhd	650,000,000	15.88	-	-	650,000,000	12.22	-	-
SC Estate World Sdn Bhd	600,000,000	14.66	<sup>(3)</sup> 600,000,000	-	600,000,000	11.28	<sup>(3)</sup> 600,000,000	-
Chuan Ai May	-	-	<sup>(3)</sup> 600,000,000	14.66	-	-	-	11.28
Vantage Matrix Sdn Bhd	1,013,424,599	24.76	-	-	1,013,424,599	19.05	-	-
Tan Chai Leng	-	-	<sup>(4)</sup> 1,013,424,599	24.76	-	-	<sup>(4)</sup> 1,013,424,599	19.05
Takzim Empayar Sdn Bhd	358,041,651	8.75	-	<sup>(5)</sup> 358,041,651	8.75	-	<sup>(5)</sup> 358,041,651	-
Datuk Cheng Lai Hock, JP Placees (collectively)	-	-	-	-	1,227,685,900	23.08	-	6.73

#### **Notes:**

- (1) Based on the existing share capital of 4,092,286,363 Shares as at the LPD.
- (2) Based on the enlarged share capital of 5,319,972,263 Shares after the Proposed Private Placement.
- (3) Deemed interested by virtue of her shareholdings in SC Estate World Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.
- (4) Deemed interested by virtue of her shareholdings in Vantage Matrix Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.
- (5) Deemed interested by virtue of his shareholdings in Takzim Empayar Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

#### 6.4 Losses and LPS

The Proposed Joint Venture is expected to be earnings accretive and will contribute positively to the future earnings of the Group.

Save for the dilution in LPS as a result of the increase in the number of SCBUILD/0109 Shares to be issued pursuant to the Proposed Private Placement, the Proposed Private Placement is not expected to have any immediate material effect on the consolidated earnings/losses of the Group.

For illustrative purposes, based on the latest available audited financial statements of SCBUILD/0109 Group for the 15-month financial period ended 31 July 2024, the pro forma effects of the Proposed Private Placement on the loss and LPS of SCBUILD/0109 Group are as follows:

	<b>Audited as at 31 July 2024</b>	<b>After the Proposed Private Placement</b>
Loss after taxation attributable to owners of the Group (RM'000)	(12,243)	(12,243)
No. of Shares ('000)	4,092,286	(1) 5,319,972
<b>LPS (sen)</b>	<b>(0.30)</b>	<b>(0.23)</b>

**Note:**

(1) Based on the enlarged issued share capital after the issuance of 1,227,685,900 Placement Shares at the Indicative Issue Price.

#### 6.5 Convertible Securities

Save for the Options as disclosed under Section 2.2 of Part A of this Circular, the Company does not have any other existing convertible securities as at LPD.

For the avoidance of doubt, the Proposed Private Placement will not result in any adjustment to the outstanding number, conversion price and exercise price of the outstanding convertible securities of the Company.

### 7. 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:

	<b>High</b>	<b>Low</b>
	<b>RM</b>	<b>RM</b>
<b><u>2024</u></b>		
June	0.015	0.010
July	0.020	0.010
August	0.015	0.010
September	0.015	0.010
October	0.015	0.010
November	0.015	0.005
December	0.010	0.005
<b><u>2025</u></b>		
January	0.015	0.005
February	0.015	0.005
March	0.010	0.005

	<b>High</b> <b>RM</b>	<b>Low</b> <b>RM</b>
April	0.010	0.005
May	0.010	0.005
Last transacted market price on the LTD		0.005
Last transacted market price on the LPD		0.010

*(Source: Bloomberg)*

## **8. APPROVALS REQUIRED**

The Proposals are subject to the approvals being obtained from the following:

- (i) Bursa Securities, which was obtained vide its letter dated 5 June 2025, for the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities;
- (ii) shareholders of SCBUILD/0109 at a forthcoming EGM to be convened; and
- (iii) any other relevant persons or authorities, if required.

The Proposed Private Placement is conditional upon the Proposed Joint Venture. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by SCBUILD/0109.

## **9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

Save as disclosed below, none of the Directors, major shareholders, chief executive or persons connected with them have any interest, direct or indirect, in the Proposals:

- (a) Loh Boon Ginn, being the Chairman and Managing Director/Chief Executive Officer and substantial shareholder of the Company, is the director of SCECSB and AMSC Solar. He is also the spouse of Kuay Jeaneve and the brother of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109; and
- (b) Kuay Jeaneve, the Deputy Executive Chairman of the Company, is the director of AMSB and AMSC Solar. She is also the spouse of Loh Boon Ginn and sister-in-law of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109.

As at LPD, the direct and/or indirect shareholdings of the Interested Directors in the Company are as follows:

<b>Interested Directors</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Loh Boon Ginn	212,013,636	5.18	-	-
Kuay Jeaneve	-	-	-	-
Loh Shy Tyug	-	-	-	-
Loh Shy Ming	-	-	-	-

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the Company's relevant Board meeting(s) in relation to the Proposals.

The Interested Directors will abstain from voting in respect of their direct or indirect shareholdings (if any) in the Company and will undertake to ensure that persons connected with them will abstain from voting in respect of their direct and indirect shareholdings (if any) in the Company on the resolutions pertaining to the Proposals to be tabled at the Company's forthcoming EGM.

## **10. HIGHEST APPLICABLE PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Joint Venture pursuant to Rule 10.02(g) of the Listing Requirements is approximately 30.81% computed based on the total project cost attributable to SCBUILD/0109 of RM15.00 million divided by the total assets of SCBUILD/0109 as of 31 July 2024 of RM48.68 million.

## **11. TRANSACTIONS WITH THE SAME RELATED PARTY FOR THE PAST 12 MONTHS**

Save for the Proposed Joint Venture, there were no transactions outside the ordinary course of business entered into between SCBUILD/0109 Group and AMSB for the preceding 12 months from the date of this Circular.

## **12. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee, after having considered all relevant aspects of the Proposals (including but not limited to the salient terms of the JVA, Supplemental Agreement, rationale and financial effects of the Proposals) as well as the evaluation of the Independent Adviser on the Proposals, is of the opinion that the Proposals are:

- (i) in the best interest of SCBUILD/0109 Group;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interest of the non-interested shareholders of SCBUILD/0109.

## **13. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board (save for the Interested Directors who have abstained from the Proposals) after having considered all relevant aspects of the Proposals (including but not limited to the terms of the Proposed Joint Venture, rationale and financial effects of the Proposals) as well as the opinion by the Independent Adviser on the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

## **14. ADVISER**

M&A Securities has been appointed as the Principal Adviser to SCBUILD/0109 for the Proposals.

In view of the interests of the Interested Directors in the Proposed Joint Venture, the Proposed Joint Venture is a related party transaction pursuant to Rule 10.08 of the Listing Requirements. The Interested Directors are also deemed to be interested in the Proposed Private Placement in view that the Proposed Private Placement is conditional upon the Proposed Joint Venture. Accordingly, AER has been appointed to act as the Independent Adviser to undertake the following:

- (a) comment as to –
  - (i) whether the Proposals are fair and reasonable so far as the non-interested shareholders of SCBUILD/0109 are concerned; and
  - (ii) whether the Proposals are to the detriment of the non-interested shareholders of SCBUILD/0109; and

such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (b) advise the non-interested shareholders of SCBUILD/0109 on whether they should vote in favour of the Proposals;
- (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in items (a) and (b) above.

## **15. ESTIMATED TIMEFRAME FOR COMPLETION**

The tentative timetable in relation to the Proposals is as follows:

<b>Date</b>	<b>Events</b>
30 June 2025	EGM to approve the Proposals
Third quarter of 2025	Listing of and quotation for the Placement Shares
Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be implemented by the third quarter of 2025.	

## **16. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, the Board confirms that there are no other outstanding corporate exercises which has been announced but pending completion as at the LPD.

## **17. EGM**

The EGM to be convened, the notice of which is enclosed in this Circular, will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya Selangor Darul Ehsan, Malaysia on Monday, 30 June 2025 at 11.00 a.m. or any adjournment thereof for the purpose of considering, and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, participate, speak or vote in person at the EGM to be convened, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the office of the share registrar of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time set for holding the EGM to be convened or at any adjournment thereof. The completion and lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM to be convened should you subsequently wish to do so.

## **18. FURTHER INFORMATION**

Please refer to the Appendix IV of this Circular 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

## **PART B**

### **INDEPENDENT ADVICE LETTER TO THE NON- INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSALS**

All definitions used in this IAL shall have the same meaning as the words and expressions provided in the “**Definitions**” section of this Circular and as defined in the IAL herein, except where the context herein requires otherwise. All references to “**you**” are references made to the non-interested shareholders of SCBUILD/0109 (“**non-interested shareholders**”), whilst references to “**we**”, “**us**” or “**our**” are references to AER, being the Independent Adviser for the Proposals.

Set out hereunder is an executive summary which serves to highlight some of the salient points arising from AER’s independent evaluation of the Proposals. The non-interested shareholders are advised to read and understand the contents of the IAL and the entire Part A of this Circular, including the appendices thereof, for more comprehensive information, evaluation, and recommendation on the Proposals, before voting on the resolution pertaining to the Proposals at the forthcoming EGM.

## 1. INTRODUCTION

On 24 July 2024, the Board announced that SCECSB had entered into the JVA on that date.

On 21 February 2025, M&A Securities, on behalf of the Board, announced the Company’s intention to undertake the Proposed Private Placement.

On 5 March 2025, the Board announced that SCECSB and AMSB had entered into a Supplemental Agreement on 2 March 2025 to amend the JVA.

On 5 June 2025, M&A Securities, on behalf of the Board, announced that Bursa Securities had granted approval for the listing and quotation of the Placement Shares on the ACE Market of Bursa Securities via its letter dated 5 June 2025.

The Proposed Joint Venture is a related party transaction under Rule 10.09 of the Listing Requirements, due to the Interested Directors’ involvement mentioned in **Section 9, Part A** of this Circular. As the Proposed Private Placement is conditional upon the Proposed Joint Venture, our advice to the non-interested shareholders shall also include the Proposed Private Placement, on the fairness, reasonableness, and whether they should vote for it. Accordingly, AER has been appointed as the Independent Adviser for the Proposals.

Your Board had appointed AER on 5 March 2025, as the Independent Adviser to advise the non-interested shareholders of the Company in relation to the Proposals, that involves the interest of the Interested Directors of SCBUILD/0109, to provide the non-interested shareholders with:

- (a) comments as to:-
  - (i) whether the Proposals is fair and reasonable as far as the non-interested shareholders are concerned; and
  - (ii) whether the Proposals is detrimental to the interest of the non-interested shareholders; and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (b) advise non-interested shareholders on whether they should vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM; and
- (c) take all reasonable steps to satisfy ourselves that we have a reasonable basis to make the comments and advise in (i) and (ii) above.

## EXECUTIVE SUMMARY

---

### 2. EVALUATION OF THE PROPOSALS

In evaluating the Proposed Joint Venture and Proposed Private Placement, we have taken into consideration the following:

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.1A	Rationale for the Proposed Joint Venture	<p>The Proposed Joint Venture aligns with the Group's renewable energy goals by utilising AMSB's Bumiputera status, CIDB G7 registration, and ISO 9001:2015 certification. The combined expertise of the JV Parties aims to ensure the LSS Plant Project's success, benefiting future earnings (extracted from <b>Section 4.3, Part A</b> of this Circular).</p> <p>An example of this is that to participate in Package 1 of the large-scale solar photovoltaic plants of total capacity of 2,000MW comprising four packages by Suruhanjaya Tenaga (Energy Commission), a bidder that tendered for Package 1 (1MWac to less than 10MWac) must have at least 51% Bumiputera equity interest and hold the Sijil Akuan Status PMKS issued by SME Corporation Malaysia. The consortium formed by AMSB and SCECSB met these requirements, leading to the successful bid and the subsequent award of the Power Purchase Agreement (PPA) on 3 March 2025, to AMSC Solar by TNB for the Large Scale Solar Photovoltaic Plants (LSS Plant) Project of 4 MWac.</p> <p>We noted from <b>Section 4.3, Part A</b> of the circular, SCBUILD/0109 plans to construct 2,000 to 3,000 affordable housing units featuring solar-powered roofs, EV charging stations, and sustainable infrastructure elements. The Group also plans to invest up to RM13.5 billion in renewable energy over the next decade. The Joint Venture provides the Group with immediate entry into the solar business.</p> <p>Therefore, it is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

*The remainder of this page is left blank intentionally*

## EXECUTIVE SUMMARY

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.1B	Rationale for the Proposed Private Placement	<p>We summarised the board's presented advantages as follows:</p> <ul style="list-style-type: none"> <li>(i) It enables quick and cost-effective fundraising, unlike a rights issue, which is time-consuming and relies on market sentiment. Rights issues also require underwriting or shareholder commitments, difficult in the current economy.</li> <li>(ii) It strengthens the Group's shareholder base and capital base.</li> <li>(iii) It provides funding without interest expenses, unlike borrowings.</li> <li>(iv) It improves the Group's liquidity and financial flexibility by enhancing its financial position.</li> </ul> <p>However, the Proposed Private Placement has a disadvantage due to its dilutive effects, potentially increasing the number of SCBUILD/0109 shares. This is mitigated by capping new issued shares at no more than 30% of the total number of SCBUILD/0109 Shares.</p> <p>We considered the rationale by your Board and we are of the view that the Proposed Private Placement, is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

Section in the IAL	Evaluation of salient terms of the JVA	AER's Commentary
Section 6.2	Salient terms of the JVA	<p>On 24 July 2024, SCECSB and AMSB formed a joint venture for the Large-Scale Solar (LSS) Program 2024. AMSB will hold 60%, and SCECSB will have 40% pursuant to the JVA. The consortium aims to support national energy goals through renewable energy projects.</p> <p>The 40% stake in the venture allows significant involvement for SCECB in the solar industry, aligning with SCBUILD/0109 Group's strategic goals in renewable energy and construction. This partnership leverages AMSB's expertise and presents new market opportunities.</p> <p>We find the terms of the JVA <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

*The remainder of this page is left blank intentionally*

## EXECUTIVE SUMMARY

Section in the IAL	Evaluation of salient terms of the JVA	AER's Commentary
Section 6.2	Formation	<p>The joint venture, named AMSB, will operate from Kuala Lumpur, Malaysia. It is strictly a joint venture between the parties and does not create a partnership or fiduciary relationship. In the Supplemental JVA, a new company is incorporated, i.e. AMSC Solar of which SCESB and AMSB owns 60% and 40% equity interest respectively.</p> <p>The terms of the JVA and Supplemental Agreement are deemed <b>reasonable</b> and <b>not detrimental</b> to the non-interested shareholders. The establishment of AMSC Solar is required upon the award of the LSS Plant, as prior to the award, the joint venture parties had submitted their bid for the LSS Plant Project under an unincorporated consortium.</p>

Section in the IAL	Evaluation of salient terms of the JVA	AER's Commentary
Section 6.2	Purpose	<p><b>Advantages to SCESB</b>  SCESB is likely to benefit from its partnership with AMSB due to AMSB's established network and contract procurement expertise. As a 100% Bumiputera company, AMSB is registered with CIDB G7 and SEDA as a photovoltaic service provider and adheres to ISO 9001:2015 standards. The joint venture aims to leverage the strengths of both parties in renewable energy for the LSS Plant Project. This collaboration may enhance future earnings through competitive EPCC contracts, aligning with SCESB's infrastructure investment capabilities.</p> <p><b>Disadvantages to SCESB</b>  SCESB will need to invest in solar power plants, rooftop solar projects, electric vehicle chargers, and related ventures for residential, commercial, and industrial buildings. Additionally, SCESB holds a 40% stake in the Joint Venture, compared to AMSB's 60%.</p> <p><b>Our evaluation</b>  As an independent entity, SCESB might have a lower success rate in securing the LSS Plant contract. By partnering with AMSB, SCESB utilizes AMSB's strengths and has demonstrated the capability to win the LSS Plant Project, which involves constructing a facility with a capacity of 4 MWac. The partnership thereby increases the feasibility of securing the LSS Plant, a task that would be challenging for SCESB alone.</p> <p>In conclusion, despite some disadvantages, the collaboration between SCESB and AMSB offers substantial benefits, particularly by combining efforts to secure the LSS Plant Project. This will be the first solar project for SCBUILD/0109, with AMSB responsible for securing new solar power plant projects and SCESB providing the funding. Ultimately, this partnership is in our view, commercially beneficial for both parties. Therefore, it can be concluded that the Purpose of the JVA is <b>reasonable</b> and <b>not detrimental</b> to the non-interested shareholders.</p>

## EXECUTIVE SUMMARY

Section in the IAL	Evaluation of salient terms of the JVA	AER's Commentary
Section 6.2	Responsibilities of the Parties	<p>SCECSB is responsible for investing in and securing solar power projects, including Solar Power Plants and Solar Power on Roofs. This involves handling costs, EPCC contract negotiations, obtaining permissions, construction, and compliance. They also invest in EV Chargers and manage infrastructure post-completion. SCECSB can assign the agreement to subsidiaries.</p> <p>AMSB's role is to secure and implement these solar projects and install EV Chargers for various buildings, ensuring they meet contract conditions with SCECSB.</p> <p>The JVA outlines clear roles and responsibilities, making the purpose reasonable and not harmful to non-interested shareholders.</p> <p>This term of the JVA is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

Section in the IAL	Evaluation of salient terms of the JVA	AER's Commentary
Section 6.2	<p>Non-Exclusivity</p> <p>Term</p> <p>Termination</p>	<p>Non-Exclusivity: This term is <u>reasonable</u> as it allows both parties the flexibility to engage in other business opportunities without obligation to offer them to the other party.</p> <p>Term: The JVA remains in effect until mutually terminated. This is <u>reasonable</u> as it provides continuity and requires mutual consent for termination.</p> <p>Termination: Either party can terminate the agreement with written notice. This is <u>reasonable</u>, ensuring that any termination is communicated formally.</p>

*The remainder of this page is left blank intentionally*

## EXECUTIVE SUMMARY

Section in the IAL	The Supplemental Agreement dated 2 March 2025 to vary and amend the terms of JVA.	AER's Commentary
Section 6.3	(a) Variation of Clause of the JVA (b) Additions to the JVA (c) Supplemental Agreement	These terms of Supplemental Agreement are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.4	Effects of the Proposals on substantial shareholders' shareholding	<p>The Proposed Joint Venture will not affect substantial shareholders' shareholding as it does not involve issuing new SCBUILD/0109 Shares.</p> <p>However, the Proposed Private Placement will dilute shares due to an increase in new placement shares. Despite this dilution, benefits such as quick and cost-effective fundraising, enhanced shareholder base, interest-free funding, and improved liquidity mitigate the impact.</p> <p>Therefore, the Proposals are <u>reasonable</u> and <u>not detrimental</u> to non-interested shareholders.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.5	Financial Effects of the Proposals - NA per Share	<p>The Proposed Joint Venture do not have any impact of the Group's NA per share, which was RM0.01 as of 31 July 2024. Issuing 1,227,685,900 New Placement Shares at the Indicative Issue Price maintains the NA per Share at RM0.01 due to new capital offsetting dilution.</p> <p>Hence, the Proposals are <u>fair</u> and <u>not detrimental</u> to non-interested shareholders.</p>

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.5	Financial Effects of the Proposals - EPS	<p>The Proposed Joint Venture is expected to boost the Group's future earnings by contributing 40% of post-acquisition profit from the LSS Plant Project in AMSC Solar upon the commercialization of the LSS Plant. Although the Proposed Private Placement may reduce EPS, due to new Placement Shares, without it, the Group would miss out on additional earnings from future participation in the LSS Plant Project. Thus, the Proposals are <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

---

## EXECUTIVE SUMMARY

---

Section in the IAL	Area of evaluation	AER's Commentary
Section 6.5	Financial Effects of the Proposals - Gearing	As of 31 July 2024, the Group's total borrowings were RM211,000, supported by net assets of RM41,960,000. Assuming an additional RM10 million in project costs is financed through bank borrowings, proforma borrowings may increase to RM10,211,000. After the Proposals, the Group's proforma gearing ratio is expected to be 0.01 times, which is negligible and considered <b>reasonable</b> and <b>not detrimental</b> to non-interested shareholders.

### 3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposals, and our evaluation is set out in **Section 6** of the IAL. The non-interested shareholders should consider all the merits and demerits of the Proposals and based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

After having considered all the various factors included in our evaluation for the Proposals, and based on the information made available to us, we are of the opinion that the Proposals are **fair** and **reasonable** insofar as the non-interested shareholders are concerned and it is **not detrimental** to the non-interested shareholders.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposals, that are to be tabled at the Company's forthcoming EGM.

*The remainder of this page is left blank intentionally*



## ASIA EQUITY RESEARCH SDN BHD

(License Number: eCMSL/A0330/2015)

Licensed to provide advisory services in corporate finance and investment advice

**Registered Office:-**  
46-3 Jalan PJU 8/5B  
Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan  
Email: [contact@aer.finance](mailto:contact@aer.finance)  
Website: [www.aer.finance](http://www.aer.finance)

**13 June 2025**

**To: The non-interested shareholders of SC Estate Builder Berhad**

Dear Sir/Madam,

### **INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF SCBUILD/0109 IN RELATION TO THE PROPOSALS**

#### **1. INTRODUCTION**

On 24 July 2024, the Board announced that SCECSB had entered into the JVA on that date.

On 21 February 2025, M&A Securities, on behalf of the Board, announced the Company's intention to undertake the Proposed Private Placement.

On 5 March 2025, the Board announced that SCECSB and AMSB had entered into a Supplemental Agreement on 2 March 2025 to amend the JVA.

On 5 June 2025, M&A Securities, on behalf of the Board, announced that Bursa Securities had granted approval for the listing and quotation of the Placement Shares on the ACE Market of Bursa Securities via its letter dated 5 June 2025.

The Proposed Joint Venture is a related party transaction under Rule 10.09 of the Listing Requirements, due to the Interested Directors' involvement mentioned in **Section 9, Part A** of this Circular. As the Proposed Private Placement is conditional upon the Proposed Joint Venture, our advice to the non-interested shareholders shall also include the Proposed Private Placement, on the fairness, reasonableness, and whether they should vote for it. Accordingly, AER has been appointed as the Independent Adviser for the Proposals.

Your Board had appointed AER on 5 March 2025, as the Independent Adviser to advise the non-interested shareholders of the Company in relation to the Proposals, that involves the interest of the Interested Directors of SCBUILD/0109, to provide the non-interested shareholders with:

- (a) comments as to:-
  - (i) whether the Proposals is fair and reasonable as far as the non-interested shareholders are concerned; and
  - (ii) whether the Proposals is detrimental to the interest of the non-interested shareholders; and

such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (b) advise non-interested shareholders on whether they should vote in favour of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM; and
- (c) take all reasonable steps to satisfy ourselves that we have a reasonable basis to make the comments and advise in (i) and (ii) above.

The purpose of this IAL is to provide the non-interested shareholders with an independent evaluation of the Proposals and our opinion and recommendation thereon subject to the scope and limitations specified herein. You should nonetheless rely on your own evaluation of the merits and demerits of the Proposals before deciding on the course of action to be taken.

**THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED SHAREHOLDERS FOR THE PURPOSE OF VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTY FOR ANY OTHER PURPOSES WHATSOEVER.**

**YOU ARE ADVISED TO READ AND FULLY UNDERSTAND BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES THEREIN AND TO CONSIDER CAREFULLY OUR EVALUATION AND RECOMMENDATION BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. CREDENTIALS, EXPERIENCE AND EXPERTISE OF AER**

AER is licensed to provide two regulated activities by the Securities Commission Malaysia namely advisory services in corporate finance and investment advice.

The past credentials, professional experience, and expertise of AER, where AER had been appointed as an Independent Adviser in the past two (2) years, include, amongst others, the following transactions:

- (a) Proposed Joint Venture between Citaglobal Berhad ("Citaglobal"), Sinergi Dayang Sdn Bhd and Tree Technologies Sdn Bhd to undertake the development on a parcel of leasehold land held under H.S.(D) 61190, Lot No. PT 25082, Mukim Sungai Karang, Kawasan Perindustrian Gebeng, Daerah Kuantan, Pahang, measuring 999,521 square meters based on the participation interest of 65% and 35% for Sinergi Dayang and Tree Technologies respectively.
- (b) Proposed acquisition of 732,464 ordinary shares in MSR Green Energy Sdn Bhd ("MSRGE") from Ong Kah Hui and Qiang, Xiaoyu, representing 10.00% equity interest in MSRGE for a total purchase consideration of RM21.00 million, to be satisfied through a combination of cash of RM3.00 million and issuance of 29,508,197 new ordinary shares in Seal Incorporated Berhad ("Seal") ("Consideration Shares") at an issue price of RM0.61 per Consideration Share, in which the independent advice letter was issued on 13 February 2025.
- (c) Proposed disposal by Hextar Technologies Solution Berhad ("HexTech") of the remaining unexpired period of the lease on a part of the leasehold land with factories and offices erected thereon with a lettable area of 193,365 square feet expiring on 11 November 2049 for a cash consideration of RM23.70 million by Channel Legion Sdn. Bhd., a wholly owned subsidiary of HexTech to Pacific Trustees Berhad as trustee of KIP Real Estate Investment Trust, in which the independent advice letter was issued on 24 December 2024.
- (d) Proposed partial settlement by One Glove Group Berhad ("One Glove") to ADA Capital Investments Limited, the major shareholder of One Glove amounting to RM45,840,000 via the issuance of 191,000,000 new RCPS at the issue price of RM0.24 per RCPS, in which the independent advice letter was issued on 9 August 2024.
- (e) Proposed partial settlement by PRG Holdings Berhad ("PRG") to Dato' Lua Choon Hann and Dato' Ng Yan Cheng for the sum of RM6,482,290.32 and RM4,993,271.46 via the issuance of 30,333,600 and 23,365,800 new PRG shares respectively, in which the independent advice letter was issued on 22 July 2024.
- (f) Proposed disposal by PRG of 50 units of condominiums to PRG Land Sdn Bhd, a wholly-owned subsidiary of Furniweb Holdings Limited ("Furniweb") which is a 50.45% owned

subsidiary of PRG for a total consideration of RM61,982,000 to be satisfied by cash and new ordinary shares of Furniweb at an issue price of HKD0.30 each, in which the independent advice letter was issued on 12 July 2024.

- (g) Proposed acquisition by Straits Marine Fuels and Energy Sdn Bhd, a wholly owned subsidiary of TMD Energy Limited, which is a wholly owned subsidiary of Straits Energy Resources Berhad of 49,000 ordinary shares in Straits Marine Services Pte Ltd ("SMS") representing 49% equity interest in SMS for a purchase consideration of RM3,324,902 in which the independent advice letter was issued on 15 May 2024.
- (h) Proposed disposal of 27,000,001 ordinary shares in Lumut Naval Shipyard Sdn Bhd ("Lunas") held by Perstim Industries Sdn Bhd, an indirect wholly owned subsidiary of Boustead Heavy Industries Corporation Berhad ("BHIC") to Ocean Sunshine Berhad for a cash consideration of RM1 and the waiver of trade receivables owing by Lunas to BHIC and its relevant subsidiaries for the amount of approximately RM334.76 million, in which the independent advice letter was issued on 18 April 2024.
- (i) Proposed acquisition and novation of lease by MTrustee Berhad, being the trustee for and on behalf of Hektar Real Estate Investment Trust, of KYS College in Melaka for a purchase consideration of RM150,000,000 in which the independent advice letter was issued on 21 December 2023.
- (j) Proposed settlement by Toyo Ventures Holdings Bhd with the creditors involving the interest of the interested shareholders, in which the independent advice letter was issued on 28 November 2023.
- (k) Proposed acquisition by Pacific Trustees Berhad, acting as the trustee for and on behalf of KIP Real Estate Investment Trust, of KIP Mall for a purchase consideration of RM80,000,000 to be satisfied by cash in which the independent advice letter was issued on 5 September 2023.
- (l) Proposed business venture between Brilliant Forward Sdn Bhd, a wholly owned subsidiary of Land & General Berhad ("L&G") and a director of L&G, to develop a parcel of leasehold land in which the independent advice letter was issued on 10 August 2023.

Premised on the above, AER is capable and competent and has the relevant experience in carrying out its role and responsibilities as an Independent Adviser to advise the non-interested directors of the Company and non-interested shareholders in relation to the Proposals.

### **3. DECLARATION OF CONFLICT OF INTEREST**

We confirm that there is no existing or potential conflict of interest situation for us to carry out our role as the Independent Adviser in connection with the Proposals.

*The remainder of this page is left blank intentionally*

#### 4. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSALS

AER was not involved in the formulation and structuring of the Proposals and/or any deliberations and negotiations pertaining to the terms and conditions of the Proposals. In the past two (2) years prior from the date of this IAL, there is no other professional relationships between SCBUILD/0109 and AER.

AER's scope as the Independent Adviser is limited to expressing an opinion on the fairness and reasonableness of the Proposals that involves the interest of the Interested Shareholders of SCBUILD/0109 and whether the transaction is to the detriment of the non-interested shareholders, based on the following sources of information and documents:

- (a) information contained in Part A of the Circular, and the appendices enclosed therein;
- (b) other relevant information, documents, confirmations, and representations provided to us by the Board and management of SCBUILD/0109;
- (c) discussion and consultation with the senior management of SCBUILD/0109 on 12 March 2025;
- (d) a copy of an executed JVA;
- (e) a copy of an executed Supplemental Agreement; and
- (f) other publicly available information that we consider relevant for our evaluation.

We have made all reasonable enquiries, performed reasonableness checks, and corroborated relevant information with independent sources, where possible. We are also guided by the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities. In addition, the Board and the management of SCBUILD/0109 had undertaken to exercise due care to ensure that all information, data, documents, and representations provided to us to facilitate our evaluation are accurate, valid, complete, reasonable, and free from any material omission in all material respects. Accordingly, AER shall not assume any responsibility or liability whatsoever to any party for any inaccuracies, misstatements or omission of facts and information provided or represented by the Board and the management of SCBUILD/0109.

The directors of SCBUILD/0109 have collectively and individually accepted full responsibility for the accuracy, validity and completeness of the information, documents, data and statements provided to us and as contained herein in relation to the Proposals (save and except for opinion expressed by AER which do not contain factual information provided by the Company and information procured or developed by AER independently of the Company) and confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant facts and information in relation to the Proposals that are necessary for our evaluation have been completely and accurately disclosed to us and there is no omission of any material fact, the omission of which would render any such information provided to us false, incomplete, misleading and/or inaccurate.

We are satisfied with the information provided by the Board and the management of SCBUILD/0109 and are not aware of any facts or matters not disclosed which may render any such information untrue, inaccurate, or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. After making all reasonable enquiries and to the best of our knowledge and belief, the information we used is reasonable, accurate, complete, and free from material omission. We will notify the shareholders through a supplemental IAL, if we become aware of the following:

- (i) a significant change affecting the information contained in the IAL;
- (ii) there is a false, misleading / deceptive statement provided in the IAL; and
- (iii) there is a material omission in the IAL.

The non-interested shareholders should note that the views expressed by AER herein are, amongst others, based on the current economic, market, industry, regulatory, monetary, social-political, and other conditions prevailing up to the LPD. Accordingly, our evaluation and opinion in this IAL do not

consider information, events and conditions arising or may occur after the LPD. Our advice should be considered in the context of the entirety of this IAL.

In rendering our advice, we had taken note of pertinent issues which we believe are necessary and of importance to an assessment of the implications of the Proposals that are of general concern to the non-interested shareholders.

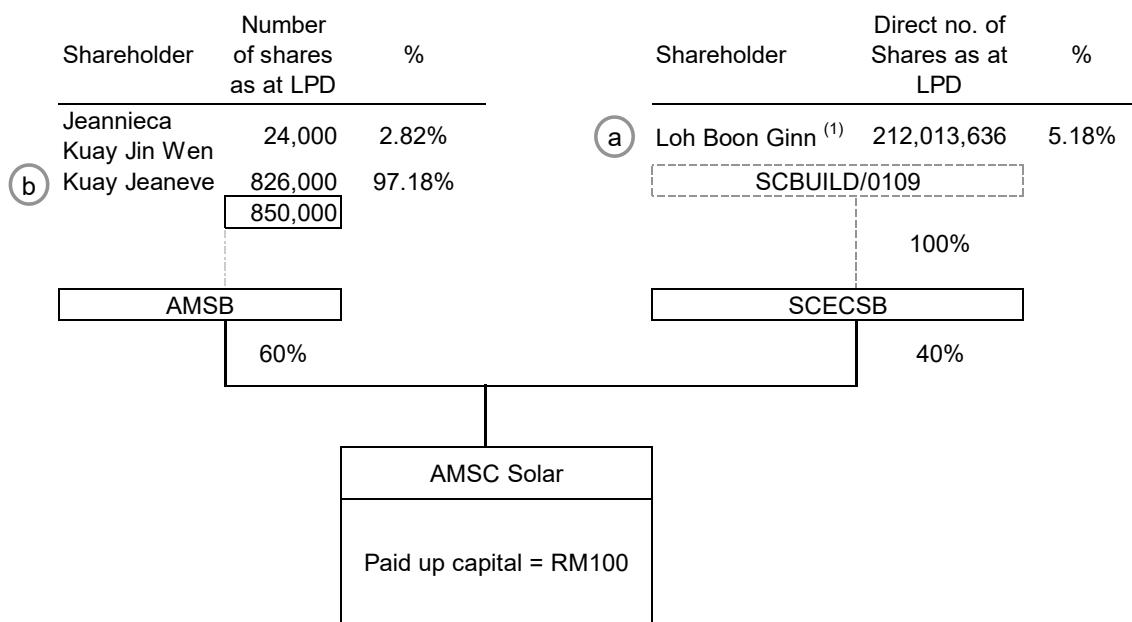
As such:

- (a) our evaluation and recommendation contained herein are based on the assessment of the fairness and reasonableness of the Proposals. Comments or points of consideration which may be commercially oriented such as the rationale, financial effects, potential benefits, and prospects of the Proposals are included for our overall evaluation as we deem necessary for disclosure purposes to enable the non-interested shareholders to consider and form their views in a more holistic manner thereon. We do not express an opinion on legal, accounting and taxation issues relating to the Proposals.
- (b) our views and advice as contained in this IAL only cater to the non-interested shareholders at large and not to any non-interested shareholder individually or any specific group of non-interested shareholders. Hence, in carrying out our evaluation, we have not given due consideration to the specific investment objectives, risk profiles, financials and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders.
- (c) we advise that any individual non-interested shareholder or any group of non-interested shareholders who are in doubt as to the action to be taken or require advice in relation to the Proposals in the context of their individual investment objectives, risk profiles, financials and tax situations or needs, to consult their respective stockbrokers, bankers, solicitors, accountants, or other professional advisers immediately.

*The remainder of this page is left blank intentionally*

## 5. SUMMARY OF THE PROPOSALS

The summary of the Proposals, extracted from Part A of this Circular, is intended to summarise the key points under the various captions and for further details, readers are advised to refer the corresponding relevant sections in Part A of this Circular.



(i) Loh Boon Ginn does not have any indirect number of shares in SCBUILD/0109 as at LPD by AER

Source: 2b. Big Picture

### Notes

- (a) Loh Boon Ginn, being the Chairman and Managing Director/Chief Executive Officer and substantial shareholder of the Company, is the director of SCECSB and AMSC Solar. He is also the spouse of Kuay Jeanneve and the brother of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109; and
- (b) Kuay Jeanneve, the Deputy Executive Chairman of the Company, is the director of AMSB and AMSC Solar. She is also the spouse of Loh Boon Ginn and sister-in-law of Loh Shy Tyug and Loh Shy Ming, the Non-Independent Executive Directors of SCBUILD/0109.

## PROPOSED JOINT VENTURE

### 5.1 Proposed Joint Venture

On 7 January 2025, AMSC Solar was established to develop the LSS Plant Project with a share capital of RM100 (2,000 ordinary shares). Its directors are Loh Boon Ginn and Kuay Jeanneve. SCECSB holds 40% and AMSB holds 60% of the shares.

On 3 March 2025, a PPA was entered into between AMSC Solar and TNB for the LSS Plant Project.

### 5.2 Responsibilities of each party

**SCECSB:** Holds 40% share in AMSC Solar, primarily involved in construction and project management for the Solar Project and is fully responsible for all the cost of the Solar Project.

**AMSB:** Holds 60% share in AMSC Solar, participates in the development and management of the Solar Project, leveraging its experience in construction and renewable energy sectors.

### **5.3 Summary of the LSS Plant Project**

The project involves the development of a 4.00 MW solar photovoltaic plant.

AMSC Solar's initial investment for the Proposed Joint Venture in the LSS Plant Project will be about RM15.0 million, funded through proceeds from the Proposed Private Placement, internal funds, and/or bank borrowings.

### **5.4 Summary of Salient Terms of the PPA**

The PPA takes effect once specific conditions, such as approvals and documentation, are met. It lasts for 21 years from the Commercial Operation Date, unless extended or terminated earlier. The PPA details terms for selling and buying Test Energy and Net Energy Output, including pricing and payment schedules.

## **PROPOSED PRIVATE PLACEMENT**

### **5.5 Proposed Private Placement**

The Proposed Private Placement involves the issuance of up to 1,227,685,900 new ordinary shares of SCBUILD/0109, representing not more than 30% of the total issued shares as of the latest practicable date (LPD).

The private placement may be carried out in a single or multiple tranches within six months from the date of approval by Bursa Securities. The exact number of shares and the number of tranches will depend on market conditions and investor interest at the time of implementation.

### **5.6 Basis of arriving at the issue price of the Placement Shares**

The issue price for each tranche will be determined by the Board based on market conditions. It will be set at a discount of no more than 20% to the five-day volume-weighted average market price (5D-VWAMP) of SCBUILD/0109 shares before the price fixing dates. For example, an issue price of RM0.0085 per share represents a 14.1% or RM0.0014 discount to the 5D-VWAMP of RM0.0099 up to and including 7 March 2025. Issuing 1,227,685,900 shares at RM0.0085 each will raise RM10,435,330.

### **5.7 Proposed Utilisation of proceeds from the Proposed Private Placement**

The proceeds from the Proposed Private Placement will be used as follows:-

- (1) Funding for projects: RM7.00 million for ongoing and future construction projects, including RM5.00 million for the LSS Plant Project.
- (2) Working capital: RM2.83 million for the Group's day-to-day operations, including staff salaries, rental, office equipment upkeep, and utilities.
- (3) Estimated expenses: RM0.61 million for fees and miscellaneous expenses related to the Proposals.

Any excess or shortfall in the raised proceeds will be adjusted against the working capital requirements. Pending full utilisation, the proceeds will be placed in interest-bearing deposit accounts or short-term money market instruments.

## **5.8 Placement arrangement**

The placement shares will be offered to independent third-party investors who qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007. They will be identified at a later date. The shares will not be placed to the company's directors, major shareholders, or chief executive, nor to persons connected with them, in accordance with Rule 6.07(1) of the Listing Requirements.

### **Ordinary Resolutions to be tabled for approval**

The Proposed Joint Venture and the Proposed Private Placement are inter-conditional. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by SCBUILD/0109.

Ordinary Resolution 1 – Proposed Joint Venture

Ordinary Resolution 2 – Proposed Private Placement

*The remainder of this page is left blank intentionally*

## 6. EVALUATION OF THE PROPOSALS

The Proposed Joint Venture is considered a related party transaction under Rule 10.09 of the Listing Requirements, due to the involvement of the Interested Directors as detailed in **Section 9, Part A** of this Circular. Given that the Proposed Private Placement is contingent upon the Proposed Joint Venture, we have been appointed as the Independent Adviser for the Proposals.

To evaluate the fairness and reasonableness of the Proposals, we have considered the following:

Factors	Section reference in IAL
Rationale for the Proposed Joint Venture	6.1A
Rationale for the Proposed Private Placement	6.1B
Basis of arriving at the issue price of the Placement Shares	6.1C
Salient terms of the JVA <ul style="list-style-type: none"> <li>(a) Salient terms</li> <li>(b) Formation</li> <li>(c) Purpose</li> <li>(d) Responsibilities of the parties</li> <li>(e) Management</li> <li>(f) Non-exclusivity</li> <li>(g) Term</li> <li>(h) Termination</li> </ul>	6.2
Salient terms of the Supplemental Agreement dated 2 March 2025 to vary and amend the terms of JVA. <ul style="list-style-type: none"> <li>(a) Variation of Clause of the JVA</li> <li>(b) Additions to the JVA</li> <li>(c) Supplemental Agreement</li> </ul>	6.3
Effects of the Proposals on substantial shareholders' shareholding	6.4
Financial Effects of the Proposals <ul style="list-style-type: none"> <li>- NA per Share</li> <li>- Earnings of Loss per Share</li> <li>- Gearing</li> </ul>	6.5
Evaluation of the prospects of the SCBUILD/0109 Group	6.6
Risk Factors	6.7
Overall	6.8

*The remainder of this page is left blank intentionally*

## 6.1A Rationale for the Proposed Joint Venture

As extracted from <b>Section 3.1, Part A</b> of this Circular	AER's commentary
<p><b>Proposed Joint Venture</b></p> <p><i>The main objective of the Proposed Joint Venture is undertaken to develop the LSS Plant Project, which is in line with the Group's strategies in the renewable energy industry as set out in Section 4.3 of Part A of this Circular. AMSB is a 100% Bumiputera company and currently registered with Construction Industry Development Board (CIDB) G7 and Sustainable Energy Development Authority (SEDA) as a registered photovoltaic service provider, and was certified compliant with ISO 9001:2015 Quality Management Systems. Through the Proposed Joint Venture, the JV Parties shall deploy their combined expertise in the renewable energy industry to undertake the LSS Plant Project. Under the JVA, SCECSB shall mainly be responsible to secure funds and manage the implementation of the LSS Plant Project while AMSB shall jointly secure the LSS Plant Project with SCECSB. Further details are set out in Appendix I of Part A of this Circular. The Board is confident that the Proposed Joint Venture will contribute positively to the future earnings of the Group.</i></p>	<p>The rationale demonstrates how the Proposed Joint Venture will assist the Group in achieving its renewable energy objectives by effectively leveraging AMSB's unique attributes, including its Bumiputera status, CIDB G7 registration, and ISO 9001:2015 certification for quality management. By combining these strengths with SCECSB's capabilities in undertaking the LSS Plant Project, the joint venture is poised to significantly enhance the Group's capacity to meet its renewable energy targets.</p> <p>The Proposed Joint Venture allows the Group immediate entry into the solar business</p> <p>We are of the view that the rationale is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>

## 6.1B Rationale for the Proposed Private Placement

As extracted from <b>Section 3.2, Part A</b> of this Circular	AER's commentary
<p><b>Proposed Private Placement</b></p> <p><i>The Proposed Private Placement will enable the Group to raise additional funds as set out in Section 2.2.5 of Part A of this Circular.</i></p> <p><i>After due consideration of the various options available, the Board is of the view that the Proposed Private Placement is the most appropriate avenue to raise funds for the Group due to the following reasons:</i></p> <p>(i) <i>the Proposed Private Placement will enable the Group to raise funds more expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a pro-rata issuance of securities like rights issue, which would typically entail longer implementation process and significantly dependent on the market sentiment. Additionally, rights issue also requires an underwriting arrangement or undertaking commitment from shareholders, in spite of the current uncertain economy condition;</i></p> <p>(ii) <i>the Proposed Private Placement is expected to strengthen the shareholders and capital base of the Group;</i></p> <p>(iii) <i>the Proposed Private Placement will serve as an additional source of funding for the</i></p>	<p>We noted the advantages as presented by your board which is summarised as below: -</p> <ul style="list-style-type: none"> <li>(i) It allows the Group to raise funds quickly and cost-effectively, unlike a rights issue, which takes longer and is highly dependent on market sentiment. A rights issue also requires underwriting or commitments from shareholders, which is challenging in the current economic climate.</li> <li>(ii) It will strengthen the shareholders and capital base of the Group.</li> <li>(iii) It offers funding without incurring interest expenses, unlike borrowings.</li> <li>(iv) It will improve the Group's liquidity and financial flexibility by bolstering its financial position.</li> </ul> <p>However, the Proposed Private Placement presents a disadvantage due to its dilutive effects, which could increase the number of SCBUILD/0109 shares in issue. This impact is mitigated by the fact that the total number of new issued shares resulting from the Proposed Private Placement is capped at no more than 30%.</p>

As extracted from <b>Section 3.2, Part A</b> of this Circular	AER's commentary
<p><i>Group without incurring interest expenses as compared to borrowings; and</i></p> <p><i>(iv) the Proposed Private Placement will improve the liquidity and financial flexibility of the Group by strengthening its financial position.</i></p>	We considered the rationale by your Board and we are of the view that the Proposed Private Placement, is <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.

#### 6.1C Basis of arriving at the issue price of the Placement Shares

As extracted from <b>Section 2.2.1, Part A</b> of this Circular	AER's commentary
<p><i>The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately (in accordance with market-based principles) and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. The Board will take into consideration amongst others, the prevailing market conditions in determining the issue price of the Placement Shares which shall be at a discount of not more than 20.0% to the 5D-VWAMP of SCBUILD/0109 Shares immediately preceding the price fixing date(s).</i></p> <p><i>The discount of up to 20.0% for the Proposed Private Placement will provide the Company with more flexibility when fixing the issue price of the Placement Shares and will increase the attractiveness for placees to subscribe for the Placement Shares from time to time.</i></p> <p><i>For illustrative purposes, assuming the Placement Shares are issued at the Indicative Issue Price, the issue price of the Placement Shares would represent a discount of approximately 14.1% or RM0.0014 to the 5D-VWAMP of SCBUILD/0109 Shares up to and including 7 March 2025 of RM0.0099.</i></p> <p><i>Based on the Indicative Issue Price, the Proposed Private Placement will raise gross proceeds of up to RM10.44 million.</i></p>	<p>According to general Rule 6.05 of the ACE Market Listing Requirements, when issuing new, a listed issuer must adhere to specific guidelines. One such rule is that the price of the shares or securities must not be more than a 10% discount of its VWAMP over the last five days before the price is determined.</p> <p>As provided under Rule 6.06 of the ACE Market Listing Requirements, shareholders approval is required in this instance as the maximum discount of up to 20% clearly exceeds the 10% threshold permitted. The discount of up to 20% offers SCBUILD/0109 flexibility in attracting placees efficiently especially in challenging market conditions. It is viewed as a necessary tool to enable the Company to seize growth opportunities and execute its strategic plans.</p> <p>As an additional information to shareholders, the proposed Private Placement involves the issuance of up to 1,227,685,900 new SCBUILD/0109 Shares. This represents no more than 30% of the total number of issued SCBUILD/0109 Shares.</p> <p>Based on the rationale provided by the Board on the basis of arriving at the issue price of the Proposed Private Placement, we are of the view that it is <u>reasonable</u> and <u>not detrimental</u> to non-interested shareholders.</p>

*The remainder of this page is left blank intentionally*

## 6.2 Salient terms of the JVA

As extracted from <b>Appendix I</b> of this Circular	AER's commentary															
<p><b>(a) Salient Terms</b></p> <p><i>SCECSB and AMSB has entered into a JVA dated 24 July 2024 to establish a joint venture in order to collaborate and to participate and do submission as a consortium of AMSB and SCECSB in a large scale solar (“LSS”) program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000 MW for Peninsular Malaysia announced on 1 April 2024 by Suruhanjaya Tenaga<sup>(1)</sup>.</i></p> <p><b>Note:</b></p> <p><sup>(1)</sup> <i>On 1 April 2024, the Ministry of Energy Transition and Water Transformation (PETRA) through the Suruhanjaya Tenaga announced the launch of a competitive bidding process offering a solar quota of 2,000 MWac under the LSS program, called LSS Petra or LSS – Peralihan Tenaga SuRia.</i></p> <p><i>This is one of the Government's initiatives in supporting the energy transition and reducing carbon footprint by increasing Renewable Energy sources to 70% by 2050.</i></p> <p><i>To provide opportunities for participation and encourage the involvement of Bumiputera developers, the LSS Petra program allocates a capacity of 2,000MWac with the packages and quota ranges offered as follows:</i></p> <table border="1"> <thead> <tr> <th>Package</th> <th>Capacity Range</th> <th>Quota Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1MW to &lt; 10MW</td> <td>250MW</td> </tr> <tr> <td>2</td> <td>≥10MW to &lt;30MW</td> <td>250MW</td> </tr> <tr> <td>3</td> <td>≥30MW to 500MW</td> <td>1,000MW</td> </tr> <tr> <td>4 (floating solar power plant)</td> <td>10MW to 500MW</td> <td>500MW</td> </tr> </tbody> </table> <p><i>Note: Package 1, 2 and 3 are for ground-mounted and building-mounted solar power plants.</i></p> <p><i>LSS Petra program provides an opportunity for Bumiputera companies to get involved in the energy sector and compete in a healthy way.</i></p> <p><i>The solar power plants under the LSS Petra program are scheduled to start operating in 2026.</i></p> <p><i>AMSB shall own 60% of the consortium and SCECSB shall own 40% of the consortium.</i></p>	Package	Capacity Range	Quota Amount	1	1MW to < 10MW	250MW	2	≥10MW to <30MW	250MW	3	≥30MW to 500MW	1,000MW	4 (floating solar power plant)	10MW to 500MW	500MW	<p><b>Summary of Salient Terms of the JVA</b></p> <p>On 24 July 2024, SCECSB and AMSB established a joint venture to participate in the Large-Scale Solar (LSS) Program 2024. AMSB will own 60% of the Consortium, while SCECSB will own 40%. The Consortium aims to contribute to national energy goals and participate in both public and private projects related to renewable energy and solar power.</p> <p>The terms of the joint venture appear reasonable for SCBUILD/0109. The 40% stake allows SCECSB to have a significant involvement in the solar business. The collaboration aligns with SCBUILD/0109 Group's strategic goals in renewable energy and construction, leveraging AMSB's expertise and credentials. Overall, this arrangement benefits SCBUILD/0109 Group by facilitating entry into a new market opportunities and contributing to national energy initiatives.</p> <p>We considered the rationale the Salient Terms of the JVA as <u>reasonable</u> and <u>not detrimental</u> to the non-interested shareholders.</p>
Package	Capacity Range	Quota Amount														
1	1MW to < 10MW	250MW														
2	≥10MW to <30MW	250MW														
3	≥30MW to 500MW	1,000MW														
4 (floating solar power plant)	10MW to 500MW	500MW														

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p><i>The parties are committed to contribute achieving of National Energy Transition Roadmap (NETR), Rancangan Malaysia Kedua Belas (RMKe12) and Kajian Separuh Penggal Rancangan Malaysia Kedua Belas to commence begin year 2024 to participating on public and private projects under Environment, Social, Governance (ESG) Initiative projects including renewable energy for solar power plants, solar power on the roofs on commercial and industrial buildings, affordable homes with solar power on the roof and related businesses and electricity vehicle chargers and related businesses.</i></p>	

*The remainder of this page is left blank intentionally*

## Salient terms of the JVA

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p><b>(b) Formation</b></p> <p><i>The joint venture formed by this agreement ("Joint Venture") will conduct its business under the name AMSB, and will have its registered address at Unit 16-10, Level 16, Tower A, The Vertical II, Bangsar South 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respects, and in no event shall this agreement be construed to create a partnership or any other fiduciary relationship between the parties.</i></p>	<p>The joint venture, named AMSB, will operate from Kuala Lumpur, Malaysia. It is strictly a joint venture between the parties and does not create a partnership or fiduciary relationship. The Joint Venture is formed as an incorporated entity for purpose of participating in tenders as a Consortium.</p> <p>This term of the JVA is <b>reasonable</b> and <b>not detrimental</b> to the non-interested shareholders.</p>

## Salient terms of the JVA

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p><b>(c) Purpose</b></p> <p><i>The Joint Venture shall be formed for the purpose of the following:</i></p> <p>(i) <i>AMSB and SCECSB to participate as a consortium in LSS program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000MW for Peninsular Malaysia announced on 1 April 2024 by Suruhanjaya Tenaga, AMSB shall own 60% of the consortium and SCECSB shall own 40% of the consortium.</i></p> <p>(ii) <i>Investment for solar power plants, solar power on the roofs on commercial and industrial buildings, affordable homes with solar power on the roof and related businesses and electricity vehicle chargers shall be fully borne by SCECSB.</i></p> <p>(iii) <i>SCECSB shall be the investor for solar power plant and solar power on the roof projects, electricity vehicle chargers projects and related business projects for residential, commercial and industrial buildings.</i></p> <p>(iv) <i>AMSB shall secure solar power plant and solar power on the roof through tender of LSS Program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000MW for Peninsular Malaysia and/or related environmental social governance projects and propose competitive EPCC contract offer and make every effort to execute the solar power plant and solar power on the roof projects for residential, commercial and industrial buildings.</i></p> <p>(v) <i>Participate in solar power plant through tender and related projects and solar power on the</i></p>	<p><b>Advantages to SCECSB</b></p> <p>SCECSB stands to gain from its partnership with AMSB due to AMSB's established network and contract procurement expertise. As a 100% Bumiputera company, AMSB is registered with CIDB G7 and SEDA as a photovoltaic service provider and adheres to ISO 9001:2015 standards. The joint venture aims to leverage the strengths of both parties in renewable energy for the LSS Plant Project. This collaboration is expected to enhance future earnings through competitive EPCC contracts, aligning with SCECSB's infrastructure investment strengths.</p> <p><b>Disadvantages to SCECSB</b></p> <p>It is reasonable for SCECSB to be awarded a 40% share in the project even though it bears the entire funding cost because without AMSB's credentials and ownership structure, SCECSB would not qualify for the project due to the requirement of majority Bumiputra ownership. The joint venture allows SCECSB to participate and secure a significant stake in the project, providing them with the opportunity to gain returns that justify the funding costs, which are comparable to what a private equity funder would demand.</p> <p><b>Our evaluation</b></p> <p>As an independent entity, SCECSB would possibly have a lower success rate to secure the LSS Plant contract. By partnering with AMSB, SCECSB leverages AMSB's strengths and has successfully demonstrated the ability to win the LSS Plant Project, which entails constructing a facility with a capacity between 4 MWac. The collaboration thus makes it feasible to secure the LSS Plant, a task that would have been challenging for SCECSB to accomplish alone.</p>

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<i>roof projects and related business projects for residential, commercial and industrial buildings.</i>	In <b>conclusion</b> , despite some key disadvantages, the collaboration between SCECSB and AMSB offers significant benefits, primarily through their combined efforts enabling them to secure the LSS Plant Project. This shall be the first solar project for SCBUILD/0109, with clearly defined roles where AMSB will be responsible for securing new solar power plant projects and SCECSB will provide the funding. Ultimately, this partnership is commercially advantageous for both parties. Therefore, we conclude that the Purpose of the JVA is <b>reasonable</b> and <b>not detrimental</b> to non-interested shareholders.

### Salient terms of the JVA

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p><b>(d) Responsibilities of the parties</b></p> <p><i>The parties hereto shall have the responsibilities to the Joint Venture as follows:</i></p> <p><i>SCECSB shall be responsible to:</i></p> <ul style="list-style-type: none"> <li>(i) <i>Invest and secure solar power plant through tender and related projects and solar power on the roof projects and related business projects for residential, commercial and industrial buildings.</i></li> <li>(ii) <i>Fully responsible for the investment, costs and expenses for tender and building of solar power plant and solar power on the roof and related projects.</i></li> <li>(iii) <i>Negotiate the EPCC contract with AMSB upon completion of feasibility study works.</i></li> <li>(iv) <i>Invest in electricity vehicle chargers for residential, commercial and industrial buildings.</i></li> <li>(v) <i>At its own costs and expenses and payment to be responsible for the SCECSB or any other delegates as instructed by the SCECSB to obtain all permission, consent and approval required and comply in all respects with all relevant statutory instruments, rules, orders, directions, notice, regulations and bye-laws of the relevant authorities for the time being in force imposed on the development and shall do all such works and things as shall be lawfully required thereby<sup>(1)</sup>.</i></li> <li>(vi) <i>At its own costs and expenses appoint the relevant parties to prepare all the</i></li> </ul>	<p>SCECSB shall be responsible for investing in and securing projects related to Solar Power Plants and Solar Power on Roofs for various types of buildings (However, due to the non-exclusivity clause, there is no obligation for SCECSB to offer the project to AMSB). This includes handling all costs, negotiations for EPCC contracts, and obtaining necessary permissions and approvals from relevant authorities. SCECSB also bears the construction costs and ensures compliance with statutory instruments. In addition, they invest in EV Chargers and maintain the necessary infrastructure post-completion. SCEC holds the right to assign the agreement to its subsidiaries.</p> <p>AMSB's role, on the other hand, is to secure and implement the Solar Power Plant and Solar Power on the Roof projects as outlined in the EPCC contract with SCECSB. This includes the installation of EV Chargers for Residential, Commercial, and Industrial Buildings at SCECSB's cost. AMSB ensures the execution of these projects aligns with the agreed contract conditions.</p> <p>As an overall, with clearly defined roles and responsibilities, the terms under the role and responsibilities provided clear roles and responsibilities of each party in the Proposed Joint Venture. Therefore, we conclude that the Responsibilities of the parties in the JVA is <b>reasonable</b> and <b>not detrimental</b> to non-interested shareholders.</p>

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p>necessary documents and plans for tender and building of solar power plant and solar power on the roof and related projects which not limited to land lease, consultants and others deemed applicable.</p> <p>(vii) <i>To bear all building construction costs of solar power plant and solar power on the roof including the costs of supply, installation and commissioning of all equipment, materials necessary as required by the fire, water, electricity, telephone, local and other authorities, planning fees, architects and engineers' fees and expenses.</i></p> <p>(viii) <i>At its own cost and expenses to construct in accordance with the standard requirements of the appropriate or other public authorities all road, driveways, drains, culverts, water mains, sewerage mains or sewerage plants, septic tanks, electric cables and electricity supply and on the completion thereon to do all acts, within its power to have the same taken over and maintained by the appropriate public authorities and from the date of completion of the solar power plant and solar power on the roof, shall at its own cost and expense maintain and repair the same excluding areas reserved for roads, open spaces, electricity sub-station, septic tanks and other communal amenities.</i></p> <p>(ix) <i>At its own arrangement and costs and expense, SCECSB is entitled to assign this agreement to its subsidiaries either partially or absolutely, whereby the subsidiary company shall follow the terms and conditions of this agreement.</i></p> <p><b>AMSB shall be responsible to:</b></p> <p>(i) <i>Secure and implement the solar power plant and solar power on the roof projects as per the EPCC contract conditions signed with SCECSB on solar power plant and solar power on the roof projects for residential, commercial and industrial buildings.</i></p> <p>(ii) <i>Installation for electricity vehicle chargers for residential, commercial and industrial buildings<sup>(2)</sup>.</i></p> <p><b>Notes:</b></p> <p>(1) <i>While both SCECSB and AMSB are jointly responsible for securing the LSS Plant Project, SCECSB is fully bearing the cost pursuant to their commercial arrangement.</i></p>	

As extracted from <b>Appendix I</b> of this Circular	AER's commentary
<p><sup>(2)</sup> <i>For clarity, the project implementation and installation of the electric vehicle chargers will be undertaken by AMSB, with all associated costs to be borne by SCECSB.</i></p>	

*The remainder of this page is left blank intentionally*

## Salient terms of the JVA

As extracted from <b>Appendix I</b> of this Circular	AER's commentary						
<b>(e) Management</b>  <i>The following individuals in the following positions will comprise the Joint Venture's management ("Management Team"):</i>  <i>Management Team</i>  <table border="1"> <tr> <td>AMSB</td> <td>:</td> <td>Ms. Kuay Jeaneve, Director</td> </tr> <tr> <td>SCECSB</td> <td>:</td> <td>Mr. Loh Boon Ginn, Director</td> </tr> </table>	AMSB	:	Ms. Kuay Jeaneve, Director	SCECSB	:	Mr. Loh Boon Ginn, Director	
AMSB	:	Ms. Kuay Jeaneve, Director					
SCECSB	:	Mr. Loh Boon Ginn, Director					
<b>(f) Non-Exclusivity</b>  <i>Non-exclusivity is formed by virtue of this agreement and neither party shall be obligated to make offers to the other related to any business.</i>	<b>Non-Exclusivity:</b> This term is <b>reasonable</b> as it allows both parties the flexibility to engage in other business opportunities without obligation to offer them to the other party.						
<b>(g) Term</b>  <i>This agreement shall commence on the date first written above and remain in full force and effect for until mutual termination between parties.</i>	<b>Term:</b> This JVA remains in effect until both parties mutually agree to terminate it. This is <b>reasonable</b> as it provides continuity and requires mutual consent for termination.						
<b>(h) Termination</b>  <i>Either party shall have the right to terminate this agreement, by providing the other with written notice of termination. Neither party shall have the right to terminate this agreement at any other time, unless such termination is mutually agreed to by the Parties hereto. The Joint Venture shall terminate upon termination of this agreement.</i>	<b>Termination:</b> Either party can terminate the agreement with written notice. This is <b>reasonable</b> , ensuring that any termination is communicated formally.						

*The remainder of this page is left blank intentionally*

6.3 **Salient terms of the Supplemental Agreement dated 2 March 2025 to vary and amend the terms of JVA.**

As extracted from <b>Appendix II</b> of this Circular	AER's commentary									
<p><b>(b) Variation of Clause of the JVA</b></p> <p><i>Section (b) of the JVA is amended as follows:-</i></p> <p style="text-align: center;"><b>Original</b></p> <p><i>"The joint venture formed by this agreement ("Joint Venture") will conduct its business under the name AMSB, and will have its registered address at Unit 16-10, Level 16, Tower A, The Vertical II, Bangsar South 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respects, and in no event shall this agreement be construed to create a partnership or any other fiduciary relationship between the parties."</i></p>	<p>The joint venture, named AMSB in the JVA shall be substituted with the name AMSC Solar.</p> <p>This term of Supplemental Agreement is <b>reasonable</b> and <b>not detrimental</b> to the non-interested shareholders.</p> <p>As of the date of the supplemental agreement, the Joint Venture's total issued share capital is RM100, comprising 2,000 ordinary shares. SCECSB holds 40% of the shares (800 shares), and AMSB holds 60% (1,200 shares). The directors of the Joint Venture are Loh Boon Ginn (representing SCECSB) and Kuay Jeaneve (representing AMSB). Both parties agree that the Joint Venture will execute the PPA with TNB for the LSS Plant Project.</p>									
<p style="text-align: center;"><b>Revised</b></p> <p><i>"The joint venture formed by the Agreement ("Joint Venture") will conduct its business through a special purpose vehicle company known as AMSC SOLAR SDN BHD (Registration No: 202501001023 (1602438-M)), a company registered under Companies Act 2016 with registered address at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respect, and in no event shall this Agreement be construed to create a partnership or any other fiduciary relationship between the Parties."</i></p>	<p>This term is intended to support the establishment of the corporate structure as outlined in Section 5, Part B of this IAL and hence is <b>reasonable</b> and <b>not detrimental</b> to non-interested shareholders.</p>									
<p><b>(c) Additions to the JVA</b></p> <p><i>(i) As at the date of this supplemental agreement, the total issued share capital of the Joint Venture is Ringgit Malaysia one hundred (RM100.00) only, comprising of two thousand (2,000) ordinary shares. The parties herein agree that the equity structure of the Joint Venture shall be as follows:-</i></p> <table border="1" data-bbox="314 1574 811 1731"> <thead> <tr> <th data-bbox="314 1574 457 1664"><b>Parties</b></th><th data-bbox="457 1574 600 1664"><b>No. of ordinary shares</b></th><th data-bbox="600 1574 811 1664"><b>Percentage of shareholdings</b></th></tr> </thead> <tbody> <tr> <td data-bbox="314 1664 457 1697">SCECSB</td><td data-bbox="457 1664 600 1697">800</td><td data-bbox="600 1664 811 1697">40</td></tr> <tr> <td data-bbox="314 1697 457 1731">AMSB</td><td data-bbox="457 1697 600 1731">1,200</td><td data-bbox="600 1697 811 1731">60</td></tr> </tbody> </table>	<b>Parties</b>	<b>No. of ordinary shares</b>	<b>Percentage of shareholdings</b>	SCECSB	800	40	AMSB	1,200	60	
<b>Parties</b>	<b>No. of ordinary shares</b>	<b>Percentage of shareholdings</b>								
SCECSB	800	40								
AMSB	1,200	60								

As extracted from <b>Appendix II</b> of this Circular	AER's commentary						
<p>(ii) SCECSB and AMSB herein agree that the following individuals shall be the directors of the Joint Venture:</p> <table border="1"> <thead> <tr> <th>Parties</th><th>Directors</th></tr> </thead> <tbody> <tr> <td>Representative of SCECSB</td><td>Loh Boon Ginn</td></tr> <tr> <td>Representative of AMSB</td><td>Kuay Jeaneve</td></tr> </tbody> </table> <p>(iii) Pursuant to and as additional terms to the JVA, both SCECSB and AMSB hereby agree that the Joint Venture shall enter into and execute the PPA with TNB for the LSS Plant Project.</p>	Parties	Directors	Representative of SCECSB	Loh Boon Ginn	Representative of AMSB	Kuay Jeaneve	
Parties	Directors						
Representative of SCECSB	Loh Boon Ginn						
Representative of AMSB	Kuay Jeaneve						

**Salient terms of the Supplemental Agreement dated 2 March 2025 to vary and amend the terms of JVA.**

As extracted from <b>Appendix II</b> of this Circular	AER's commentary
<p>(d) <i>Supplemental Agreement</i></p> <p>(i) <i>This supplemental agreement is supplemental to and shall be read and construed as an integral part of the JVA.</i></p> <p>(ii) <i>Save as disclosed above, all other terms and conditions in the JVA shall remain valid and in the event of any inconsistency between the terms and conditions of the JVA and this supplemental agreement, the terms and conditions of this supplemental agreement shall prevail.</i></p> <p>(iii) <i>The terms and conditions as stated in the JVA shall remain unchanged and this supplemental agreement shall form part of essence of the JVA.</i></p>	<p>The terms outlined in the supplemental agreement appear reasonable for several reasons:</p> <p>(i) It clearly specifies that the original JVA's terms remain valid, ensuring that the core agreement is upheld.</p> <p>(ii) It only brings changes through this document, which helps avoid unnecessary confusion.</p> <p>(iii) It establishes that in case of any conflicts, the new terms will prevail, ensuring clarity and reducing potential disputes.</p> <p>Hence the terms are <b>reasonable</b> and <b>not detrimental</b> to non-interested shareholders.</p>

#### 6.4 Effects of the Proposals on substantial shareholders' shareholding

##### AER's Commentary

The Proposed Joint Venture **will not have any effect** on the substantial shareholders' shareholding in the Company as it does not involve any issuance of new SCBUILD/0109 Shares. However, the Proposed Private Placement shall have a dilutive effect as it results in the increase of new placement shares.

Despite the dilutive effect resulting due to the issuance of new shares, the advantages such as quick and cost-effective fundraising, enhanced shareholder and capital base, interest-free funding, and improved liquidity and financial flexibility are benefits that help mitigate the dilutive impact.

As such the Proposals are **reasonable** and **not detrimental** to non-interested shareholders.

## 6.5 Financial Effects of the Proposals

### (a) NA per Share

#### AER's Commentary

The Proposed Joint Venture will not affect the Group's NA per Share. As of 31 July 2024, the NA per Share was RM0.01. Assuming the issuance of 1,227,685,900 Placement Shares at the Indicative Issue Price, the NA per Share remains at RM0.01 because the dilution effect is offset by the injection of new capital into the Group.

The Proposals are considered reasonable and not detrimental to non-interested shareholders.

### (b) Earnings or Loss per Share

#### AER's Commentary

The Proposed Joint Venture is expected to have a positive incremental increase in earnings of the Group's future earnings by accounting for 40% of post-acquisition profit from the LSS Plant Project in AMSC Solar, upon the commercialisation of the LSS Plant. The Proposed Private Placement may lower the earnings per share due to the increase in new Placement Shares. However, without these Proposals, the Group would miss the additional earnings from future participation in the LSS Plant Project. Thus, the Proposals are reasonable and not detrimental to non-interested shareholders.

### (c) Gearing

#### AER's Commentary

As of 31 July 2024, the Group's total borrowings were RM211,000, supported by net assets of RM41,960,000. The proforma current gearing ratio of the Group is 0.01 times. Upon completion of the Proposed Private Placement and the Proposed Joint Venture and Private Placement, is 0.20 times, assuming an additional RM10 million in project costs is financed through bank borrowings which will be financed via bank borrowings.

The Proposals are reasonable and not detrimental to non-interested shareholders.

## 6.6 Evaluation of the prospect of the SCBUILD/0109 Group

As detailed in **Section 4.3, Part A** of this Circular, SCBUILD/0109 focuses on construction, renewable energy, affordable housing, and infrastructure. Its subsidiaries are mandated to participate in solar energy projects. Aligning with Malaysia's 2050 renewable energy goal, SCBUILD/0109 plans to develop 2,000 to 3,000 MW of solar power and invest up to RM13.5 billion over the next decade.

The Group aims to build 2,000 to 3,000 sustainable affordable housing units, supporting government initiatives. SCBUILD/0109 Group is dedicated to achieving Net Zero Carbon Emissions by 2050 through green technology investments and sustainable practices. Your Board is optimistic about the Group's prospects in the renewable energy sector, adhering to government plans and industry standards.

#### AER's Commentary

We conclude that the prospects of the Group presented are reasonable and are not detrimental to non-interested shareholders.

## 6.7 Risk Factors

As extracted from **Section 5, part A** of this Circular in relation to risk factors and your Board's mitigation strategies

### **Completion Risk**

The completion of the LSS Plant Project depends on obtaining permits, weather conditions, material supply, and labor availability. Any delays can lead to cost overruns and reputational damage, possibly resulting in penalties. The Group mitigates these risks by closely monitoring the project's progress.

### **Competition Risk**

The Group faces competition from new and established players in the renewable energy industry, which could affect financial performance. To mitigate this, the Group focuses on timely and cost-efficient project completion to build a strong reputation.

### **Political, Economic, and Regulatory Risk**

Adverse changes in Malaysia's political, economic, regulatory, and social conditions could impact the Group. Risks include economic downturns and unfavorable policy changes. Your Group shall mitigate these risks by reviewing and adjusting business strategies accordingly.

We reviewed your Group's risk factors and mitigation strategies, concluding that they are **reasonable**.

## 6.8 Overall summary

The Proposals concerning the Proposals are intended to enhance the Group's future earnings by investing in the LSS Plant Project and supporting the Group's renewable energy strategies. Although there may be potential dilution in EPS, increased participation in the LSS Plant Project is anticipated to generate incremental profit from the equity accounting of 40% equity interest by your Group in AMSC Solar. The Group's proforma gearing remains minimal due to the low level of borrowings of the Group which stood at RM211,000 as at 31 July 2024 that is supported by a audited net assets of RM41,960,000 as at 31 July 2024. SCBUILD/0109's focus on renewable energy aligns with Malaysia's 2050 goal, aiming to develop between 2,000 to 3,000 MW of solar power and investing up to RM13.5 billion over the next decade. Furthermore, the Group intends to construct sustainable affordable housing units and achieve Net Zero Carbon Emissions by 2050.

### **Advantages of the Proposed Joint Venture**

1. SCECSB may gain advantages from its partnership with AMSB due to AMSB's network and contract procurement expertise. AMSB, a 100% Bumiputera company, is registered with CIDB G7 and SEDA as a photovoltaic service provider and complies with ISO 9001:2015 standards. The joint venture plans to utilize the strengths of both parties in renewable energy for the LSS Plant Project. This collaboration could potentially enhance future earnings through competitive EPCC contracts, in line with SCECSB's infrastructure investment capabilities.
2. This Proposed Joint Venture allows the Group to enter the solar market early, aligning with its strategy. Without it, SCECSB may reduce its chances to secure solar projects on its own. Additionally, the Group will account for post-acquisition profit from LSS Plant Project through its 40% stake in AMSC Solar.

### **Advantages of the Proposed Private Placement**

1. Quick and cost-effective fundraising
2. Strengthening the Group's capital base
3. Funding without incurring interest expenses
4. Improved liquidity and financial flexibility

### **Disadvantages of Proposed Private Placement**

Dilutive effects due to the increase in new Placement Shares. However, the impact on the dilutive effects on NA per Share is mitigated as the increase in number of shares is compensated by the increase in assets upon subscribing for cash by placees for the newly issued Placement Shares.

The Proposed Joint Venture is anticipated to incrementally increase the Group's future earnings by accounting for 40% of the post-acquisition profit from the LSS Plant Project in AMSC Solar, following the commercialisation of the LSS Plant Project. The Proposed Private Placement may lower the earnings per share due to the increase in new Placement Shares. However, without these Proposals, the Group would have to forgo the additional earnings from participation in the LSS Plant Project.

### **Disadvantages of the Proposed Joint Venture**

Pursuant to the JVA, SCECSB is required to contribute the funding for the Investment requirements for solar projects and related infrastructure and awarded an equity stake of 40% in AMSC Solar, lesser than AMSB that owns 60% in AMSC Solar. Despite so, the collaboration between SCECSB and AMSB offers substantial benefits, particularly by combining efforts to secure the LSS Plant Project. This will be the first solar project for SCBUILD/0109, with AMSB responsible for securing new solar power plant projects and SCECSB providing the funding. The terms of the Proposed Joint Venture due to its "non-exclusivity clause", provides SCBUILD/0109 with access to the solar industry and the opportunity to participate in future tenders independently. The Company may choose to bid without AMSB once it has established its track record.

Therefore, it can be concluded that the Proposals are reasonable and not detrimental to the non-interested shareholders.

*The remainder of this page is left blank intentionally*

## 7. CONCLUSION AND RECOMMENDATION

The non-interested shareholders, should consider all the merits and demerits of the Proposals based on all relevant pertinent factors including those which are set out in Part A of this Circular, the relevant appendices thereof, this IAL and other publicly available information.

In our evaluation of the Proposals and in arriving at our opinion, we have taken into consideration various factors as follows:

- (a) the rationale for the Proposed Joint Venture and Proposed Private Placement by the Board and the Company, are reasonable and not detrimental to the non-interested shareholders;
- (b) the salient terms of the JVA;
- (c) the salient terms of the Supplemental Agreement dated 2 March 2025 to vary and amend the terms of JVA;
- (d) the financial effects in terms of NA per Share, Earnings or Loss per Share and gearing are reasonable;
- (e) prospects of the Group; and
- (f) risk factors associated with the Proposals.

After having considered all the various factors included in our evaluation for the Proposals, that is based on the information made available to us, we are of the opinion that the Proposals are fair and reasonable insofar as to the non-interested shareholders are concerned and it is not to the detriment of the non-interested shareholders.

Accordingly, we recommend the non-interested shareholders to vote in favour of the ordinary resolution pertaining to the Proposals which is to be tabled at the Company's forthcoming EGM.

Yours faithfully,  
For and on behalf of  
**ASIA EQUITY RESEARCH SDN. BHD.**

**ONG TEE CHIN, CFA, FRM, CAIA**  
Director

**FARIS AZMI BIN ABDUL RAHMAN, CPA (Aust)**  
Director

---

## APPENDIX I – SALIENT TERMS OF THE JVA

---

### (a) Salient Terms

SCECSB and AMSB has entered into a JVA dated 24 July 2024 to establish a joint venture in order to collaborate and to participate and do submission as a consortium of AMSB and SCECSB in a large scale solar ("LSS") program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000 MW for Peninsular Malaysia announced on 1 April 2024 by Suruhanjaya Tenaga<sup>(1)</sup>.

**Note:**

(1) On 1 April 2024, the Ministry of Energy Transition and Water Transformation (PETRA) through the Suruhanjaya Tenaga announced the launch of a competitive bidding process offering a solar quota of 2,000 MWac under the LSS program, called LSS Petra or LSS – Peralihan Tenaga SuRia.

This is one of the Government's initiatives in supporting the energy transition and reducing carbon footprint by increasing Renewable Energy sources to 70% by 2050.

To provide opportunities for participation and encourage the involvement of Bumiputera developers, the LSS Petra program allocates a capacity of 2,000MWac with the packages and quota ranges offered as follows:

Package	Capacity Range	Quota Amount
1	1MW to < 10MW	250MW
2	≥10MW to <30MW	250MW
3	≥30MW to 500MW	1,000MW
4 (floating solar power plant)	10MW to 500MW	500MW

Note: Package 1, 2 and 3 are for ground-mounted and building-mounted solar power plants.

LSS Petra program provides an opportunity for Bumiputera companies to get involved in the energy sector and compete in a healthy way.

The solar power plants under the LSS Petra program are scheduled to start operating in 2026.

AMSB shall own 60% of the consortium and SCECSB shall own 40% of the consortium.

The parties are committed to contribute achieving of National Energy Transition Roadmap (NETR), Rancangan Malaysia Kedua Belas (RMKe12) and Kajian Separuh Penggal Rancangan Malaysia Kedua Belas to commence begin year 2024 to participating on public and private projects under Environment, Social, Governance (ESG) Initiative projects including renewable energy for solar power plants, solar power on the roofs on commercial and industrial buildings, affordable homes with solar power on the roof and related businesses and electricity vehicle chargers and related businesses.

### (b) Formation

The joint venture formed by this agreement ("Joint Venture") will conduct its business under the name AMSB, and will have its registered address at Unit 16-10, Level 16, Tower A, The Vertical II, Bangsar South 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respects, and in no event shall this agreement be construed to create a partnership or any other fiduciary relationship between the parties.

---

**APPENDIX I – SALIENT TERMS OF THE JVA (cont'd)**

---

**(c) Purpose**

The Joint Venture shall be formed for the purpose of the following:

- (i) AMSB and SCECSB to participate as a consortium in LSS program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000MW for Peninsular Malaysia announced on 1 April 2024 by Suruhanjaya Tenaga, AMSB shall own 60% of the consortium and SCECSB shall own 40% of the consortium.
- (ii) Investment for solar power plants, solar power on the roofs on commercial and industrial buildings, affordable homes with solar power on the roof and related businesses and electricity vehicle chargers shall be fully borne by SCECSB.
- (iii) SCECSB shall be the investor for solar power plant and solar power on the roof projects, electricity vehicle chargers projects and related business projects for residential, commercial and industrial buildings.
- (iv) AMSB shall secure solar power plant and solar power on the roof through tender of LSS Program or LSS Petra 2024 by Suruhanjaya Tenaga LSS photovoltaic plants with total capacity of 2,000MW for Peninsular Malaysia and/or related environmental social governance projects and propose competitive EPCC contract offer and make every effort to execute the solar power plant and solar power on the roof projects for residential, commercial and industrial buildings.
- (v) Participate in solar power plant through tender and related projects and solar power on the roof projects and related business projects for residential, commercial and industrial buildings.

**(d) Responsibilities of the parties**

The parties hereto shall have the responsibilities to the Joint Venture as follows:

SCECSB shall be responsible to:

- (i) Invest and secure solar power plant through tender and related projects and solar power on the roof projects and related business projects for residential, commercial and industrial buildings.
- (ii) Fully responsible for the investment, costs and expenses for tender and building of solar power plant and solar power on the roof and related projects.
- (iii) Negotiate the EPCC contract with AMSB upon completion of feasibility study works.
- (iv) Invest in electricity vehicle chargers for residential, commercial and industrial buildings.
- (v) At its own costs and expenses, and payment to be borne by SCECSB or any other delegates as instructed by the SCECSB to obtain all permission, consent and approval required and comply in all respects with all relevant statutory instruments, rules, orders, directions, notice, regulations and bye-laws of the relevant authorities for the time being in force imposed on the development and shall do all such works and things as shall be lawfully required thereby<sup>(1)</sup>.
- (vi) At its own costs and expenses appoint the relevant parties to prepare all the necessary documents and plans for tender and building of solar power plant and solar power on the roof and related projects which not limited to land lease, consultants and others deemed applicable.

---

**APPENDIX I – SALIENT TERMS OF THE JVA (cont'd)**

---

- (vii) To bear all building construction costs of solar power plant and solar power on the roof including the costs of supply, installation and commissioning of all equipment, materials necessary as required by the fire, water, electricity, telephone, local and other authorities, planning fees, architects and engineers' fees and expenses.
- (viii) At its own cost and expenses to construct in accordance with the standard requirements of the appropriate or other public authorities all road, driveways, drains, culverts, water mains, sewerage mains or sewerage plants, septic tanks, electric cables and electricity supply and on the completion thereon to do all acts, within its power to have the same taken over and maintained by the appropriate public authorities and from the date of completion of the solar power plant and solar power on the roof, shall at its own cost and expense maintain and repair the same excluding areas reserved for roads, open spaces, electricity sub-station, septic tanks and other communal amenities.
- (ix) At its own arrangement and costs and expense, SCECSB is entitled to assign this agreement to its subsidiaries either partially or absolutely, whereby the subsidiary company shall follow the terms and conditions of this agreement.

AMSB shall be responsible to:

- (i) Secure and implement the solar power plant and solar power on the roof projects as per the EPCC contract conditions signed with SCECSB on solar power plant and solar power on the roof projects for residential, commercial and industrial buildings<sup>(2)</sup>.
- (ii) Installation for electricity vehicle chargers for residential, commercial and industrial buildings<sup>(2)</sup>.

**Notes:**

- (1) While both SCECSB and AMSB are jointly responsible for securing the LSS Plant Project, SCECSB is fully bearing the cost pursuant to their commercial arrangement.
- (2) For clarity, the project implementation and installation of the electric vehicle chargers will be undertaken by AMSB, with all associated costs to be borne by SCECSB.

**(e) Management**

The following individuals in the following positions will comprise the Joint Venture's management ("Management Team"):

**Management Team**

AMSB : Kuay Jeaneve, Director  
SCECSB : Loh Boon Ginn, Director

**(f) Non-Exclusivity**

Non-exclusivity is formed by virtue of this agreement and neither party shall be obligated to make offers to the other related to any business.

**(g) Term**

This agreement shall commence on the date first written above and remain in full force and effect for until mutual termination between parties.

---

**APPENDIX I – SALIENT TERMS OF THE JVA (*cont'd*)**

---

**(h) Termination**

Either party shall have the right to terminate this agreement, by providing the other with written notice of termination. Neither party shall have the right to terminate this agreement at any other time, unless such termination is mutually agreed to by the Parties hereto. The Joint Venture shall terminate upon termination of this agreement.

**[ The rest of this page is intentionally left blank ]**

---

## APPENDIX II – SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT

---

### (a) Salient Terms

SCECSB and AMSB has entered into a supplemental agreement to the JVA dated 2 March 2025 to vary and amend the terms of JVA.

### (b) Variation of Clause of the JVA

Section (b) of the JVA is amended as follows:-

<b>Original</b>	<b>Revised</b>
<p><i>"The joint venture formed by this agreement ("Joint Venture") will conduct its business under the name AMSB, and will have its registered address at Unit 16-10, Level 16, Tower A, The Vertical II, Bangsar South 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respects, and in no event shall this agreement be construed to create a partnership or any other fiduciary relationship between the parties."</i></p>	<p><i>"The joint venture formed by the Agreement ("Joint Venture") will conduct its business through a special purpose vehicle company known as AMSC SOLAR SDN BHD (Registration No: 202501001023 (1602438-M)), a company registered under Companies Act 2016 with registered address at Unit 11.07, Amcorp Tower, Amcorp Trade Centre, 18, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Joint Venture shall be considered a joint venture between the Parties in all respect, and in no event shall this Agreement be construed to create a partnership or any other fiduciary relationship between the Parties."</i></p>

### (c) Additions to the JVA

(i) As at the date of this supplemental agreement, the total issued share capital of the Joint Venture is Ringgit Malaysia one hundred (RM100.00) only, comprising of two thousand (2,000) ordinary shares. The parties herein agree that the equity structure of the Joint Venture shall be as follows:-

<b>Parties</b>	<b>No. of ordinary shares</b>	<b>Percentage of shareholdings</b>
SCECSB	800	40
AMSB	1,200	60

(ii) SCECSB and AMSB herein agree that the following individuals shall be the directors of the Joint Venture:

<b>Parties</b>	<b>Directors</b>
Representative of SCECSB	Loh Boon Ginn
Representative of AMSB	Kuay Jeaneve

(iii) Pursuant to and as additional terms to the JVA, both SCECSB and AMSB hereby agree that the Joint Venture shall enter into and execute the PPA with TNB for the LSS Plant Project.

### (d) Supplemental Agreement

(i) This supplemental agreement is supplemental to and shall be read and construed as an integral part of the JVA.

(ii) Save as disclosed above, all other terms and conditions in the JVA shall remain valid and in the event of any inconsistency between the terms and conditions of the JVA and this supplemental agreement, the terms and conditions of this supplemental agreement shall prevail.

---

**APPENDIX II – SALIENT TERMS OF THE SUPPLEMENTAL AGREEMENT (cont'd)**

---

(iii) The terms and condition as stated in the JVA shall remain unchanged and this supplemental agreement shall form part of essence of the JVA.

**[ The rest of this page is intentionally left blank ]**

---

## APPENDIX III – SALIENT TERMS OF THE PPA

---

### (i) Salient Terms

TNB and AMSC Solar ("SPP") has on 3 March 2025 entered into a PPA, under which SPP proposes to design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 4.00 (not less than 1MWac but not more than 30MWac) MWac to be located in Lot 1841, 1842 & 3762, Jalan Padang Telela, Padang Tok Kuning, Mukim Kurong Anai, 02600 Arau, Perlis for connection to TNB's medium voltage Distribution Network at 11kV PPU Kodiang.

Under the PPA, SPP wishes to sell to TNB and TNB wishes to purchase from SPP, the Net Energy Output generated by the Facility and delivered to TNB in accordance with the terms and conditions set out in this PPA.

### (ii) Term

This PPA shall take effect on the date on which all conditions precedent listed in Clause 3.1 of the PPA have been satisfied or waived and continue in effect for a term which expires on the day before the twenty-first anniversary of the Commercial Operation Date (including such day), unless otherwise extended in accordance with Clause 2.2 (Extension of Term), 14.3(c) (Effect of Force Majeure Event) and 19.1(c) (Change-in-Law Adjustment) of the PPA or earlier terminated in accordance with the provisions of the PPA ("Term").

### (iii) Conditions Precedent to the Effectiveness of this PPA

This PPA shall be effective upon satisfaction of the following conditions:

- (a) all authorisations, resolution, approval or consent required under the constituent documents or other internal procedures of a party which are required to have been obtained by the parties in connection with the execution and delivery of this PPA have been obtained and are in full force and effect and a statement in writing to that effect has been delivered to the other party;
- (b) this PPA has been executed and delivered by each of the parties;
- (c) SPP has submitted to TNB a copy of the letter of notification to be issued by the relevant government entity responsible for the award of the Project and a certified copy of the Site Agreement;
- (d) SPP has submitted to Suruhanjaya Tenaga a certified copy of each of this PPA and the Site Agreement; and
- (e) SPP has submitted to TNB a copy of the approved power system study report conducted on the Project (the Power System Study Report) as approved by TNB.

If any of the conditions above has not been satisfied in full before the date being three (3) months from the date of this PPA, either party may terminate this PPA by delivering to the other party a notice in writing. In the event of termination under this Clause 3.1, this PPA shall cease to have any further force or effect and neither party shall have any obligation or liability (save in respect of any antecedent breach) to the other party whether at law, hereunder or otherwise.

### (iv) Conditions Precedent to the Initial Operation Date

The Initial Operation Date and the right of SPP to commence generation and deliver Test Energy and the obligation of TNB to accept Test Energy shall not occur until the following conditions have been satisfied:

- (a) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, a certified copy of each of the Project Documents (other than this PPA and the Site Agreement) accompanied by a confirmation that the Project Documents (other than this PPA) are in full force and

---

**APPENDIX III – SALIENT TERMS OF THE PPA (cont'd)**

---

effect, all conditions to their effectiveness are satisfied or waived thereunder and no default of any material provisions thereunder has occurred or is continuing;

- (b) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, a certified copy of each of the Initial Financing Documents accompanied by a confirmation that the Initial Financing Documents are in full force and effect, all conditions to their effectiveness are satisfied or waived thereunder and no default of any material provisions thereunder has occurred or is continuing;
- (c) SPP has submitted to TNB a certified copy of the SPP Licence;
- (d) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, a certificate from the Independent Engineer that the SPP Interconnection Facility, the SPP Interconnector and the SPP Works have been designed, manufactured, supplied, constructed, installed, tested and commissioned in accordance with this PPA as set out in Clause 7.5 (Testing and Commissioning of Interconnection Facilities);
- (e) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, the full set of documentation for Initial Operation Date and the proposed commissioning, start-up and testing programs and relay settings are agreed by TNB in accordance with Clause 7.6 (Initial Operation Date);
- (f) the performance security as set out in Clause 6.5 (Establishment of Security) has been delivered to TNB and is in full force and effect;
- (g) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, (i) a certified copy of the requisite approvals required from the Department of Environment under the Environmental Quality Act 1974 in respect of the Project (if the Department of Environment requires the submission of an Environmental Impact Assessment Report by SPP); or (ii) a written confirmation from the Department of Environment that requisite approvals required from the Department of Environment under the Environmental Quality Act 1974 in respect of the Project is not required; and
- (h) no default by SPP of any material provision of this PPA, the conditions to the letter of notification to be issued by the relevant government entity responsible for the award of the Project or SPP Licence has occurred or is continuing.

**(v) Conditions Precedent to Commercial Operations**

The Commercial Operation Date and the right of SPP to supply and deliver Net Energy Output and the obligation of TNB to accept Net Energy Output and make energy payments shall not occur until the following conditions have been satisfied:

- (a) SPP has submitted to TNB a copy of the "Commissioning Test Certificate" or similar document to the like effect issued by Suruhanjaya Tenaga as contemplated by the SPP Licence in respect of the Facility being operational;
- (b) SPP has submitted to TNB, with a copy to Suruhanjaya Tenaga, the final design of the Facility and a certificate from the Independent Engineer stating that the Facility, the SPP Interconnection Facility, the SPP Interconnector and the SPP Works have been tested and commissioned in accordance with this PPA as set out in Clause 8.1 (Commercial Operation Date) and the EPCC contract and that the Facility has the capacity and capability to meet the contracted capacity of 4.00MWac and the test results showing that effect;
- (c) no default by SPP of any material provision of this PPA, the conditions to the letter of notification to be issued by the relevant government entity responsible for the award of the Project, the SPP Licence, the Project Documents or the Financing Documents has occurred or is continuing; and

---

**APPENDIX III – SALIENT TERMS OF THE PPA (cont'd)**

---

(d) the representations and warranties by SPP in this PPA are true and correct in all material respects as if made on the Commercial Operation Date.

**(vi) Sale and Purchase of Test Energy**

(a) Starting on the Initial Operation Date until the Commercial Operation Date, TNB shall accept all Test Energy generated by the Facility.

(b) The price for calculation of Test Energy payment in respect of Test Energy generated and delivered by SPP shall be at the Test Energy Rate.

(c) TNB shall make Test Energy payment for such Test Energy at the times stipulated in Clause 5 (Billing and Payment) and in amounts calculated in accordance with Appendix G of the PPA.

**(vii) Sale and Purchase of Net Energy Output and Excess Energy**

(a) Starting on the Commercial Operation Date and continuing throughout the Term, SPP shall deliver and sell to TNB and TNB shall accept and purchase the Net Energy Output which is generated by the Facility up to the Maximum Annual Allowable Quantity.

(b) Any Net Energy Output generated by the Facility in excess of the Maximum Annual Allowable Quantity may be, but without any obligation, accepted by TNB (Excess Energy).

(c) TNB shall make energy payments for such Net Energy Output and Excess Energy at the times stipulated in Clause 5 (Billing and Payment) and in amounts calculated in accordance with Appendix G of the PPA.

(d) Subject to at least thirty (30) days' prior written notice already been given to TNB, SPP may participate in the NEDA scheme for the purpose of selling the Excess Energy, and SPP shall always comply with the NEDA rules and any other rules and regulations on NEDA as issued by the Suruhanjaya Tenaga from time to time. For the avoidance of doubt, in case of SPP participating in the NEDA scheme for the purpose of selling the Excess Energy, TNB shall not be obliged to make energy payments for such Excess Energy under this PPA.

**(viii) SPP Event of Default**

Each of the following events shall constitute an event of default by SPP, unless excused under another provision of this PPA:

(a) SPP fails to make a payment of any undisputed amount which is due and payable under this PPA within sixty (60) days after receipt of notice of non-payment from TNB;

(b) SPP fails to comply with or operate in conformity with any obligation of this PPA (other than a payment obligation) and such failure, if capable of remedy, continues uncured for a period of ninety (90) days, after receipt of notice of such failure from TNB;

(c) (i) SPP is dissolved or liquidated, other than for the purpose of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation;

(ii) SPP applies for or consents to a receiver, manager, custodian, trustee or liquidator being appointed over or taking possession of all or a substantial part of its assets;

(iii) SPP admits in writing its inability to pay its debts as they fall due;

(iv) SPP makes a general assignment or an arrangement or composition with or for the benefit of its creditors;

---

**APPENDIX III – SALIENT TERMS OF THE PPA (cont'd)**

---

- (v) SPP commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, reorganisation of its debts, winding-up or composition or re adjustment of its debts;
- (vi) SPP fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law; or
- (vii) SPP takes any action for the purpose of effecting any of the events described in paragraphs (c) (i) through (v) above;

- (d) the energy source for the generation of Net Energy Output delivered by the Facility to TNB is not from solar photovoltaic technology;
- (e) the Commercial Operation Date fails to occur within one hundred and eighty (180) days of the Scheduled Commercial Operation Date (unless otherwise excused or extended under this PPA);
- (f) SPP abandons the Project after the date on which all conditions precedent listed in Clause 3.1 of the PPA have been satisfied or waived and fails to resume activities within a period of time agreeable to TNB;
- (g) the Site Agreement is terminated or SPP is convicted for carrying out any crime or illegal activities under the laws at the Site or in the vicinity of the Site;
- (h) the SPP Licence is suspended or revoked or terminated or expired due to SPP's default, and SPP has not caused the SPP Licence to be reinstated or renewed either (i) within the shorter of three hundred and sixty-five (365) days and the legally permissible period for such reinstatement or renewal; or (ii) after having exhausted all available administrative or legal appeals and applications for such reinstatement or renewal;
- (i) any of the following events occurs prior to eight (8) years from the date of the letter of notification to be issued by the relevant government entity responsible for the award of the Project:
  - (a) SPP sells, conveys, transfers or otherwise disposes of the Project or any material part or any interest in the Project to any other person which includes individual, corporation, partnership, joint venture, trust, unincorporated organisation or government entity or enters into an agreement to do so; or
  - (b) any shareholder sells, transfers or otherwise disposes of any share of SPP (including for this purpose the assignment of the beneficial interest therein the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or to subscribe for such share) or any interest in such share or enters into an agreement to do so; or
  - (c) there is a change in control of SPP.
- (j) any of the events listed in Clause 15.1(i) occurs after eight (8) years from the date of the letter of notification to be issued by the relevant government entity responsible for the award of the Project without the prior written approval of TNB and the Suruhanjaya Tenaga.

**(ix) Right To Terminate; Additional Rights**

- (a) If an event of default occurs (other than an event of default falling within Clause 15.1(b) and Clause 15.23(b) of the PPA that cannot be cured with the exercise of reasonable diligence within the period of ninety (90) days therein), the non-defaulting Party may terminate this PPA by giving fourteen (14) days' written notice to the other party.

---

**APPENDIX III – SALIENT TERMS OF THE PPA (cont'd)**

---

- (b) If an event of default which falls within Clause 15.1(b) or Clause 15.2(b) of the PPA that cannot be cured with the exercise of reasonable diligence within the period of ninety (90) days specified therein, then that period shall be extended for a further period of one hundred and eighty (180) days. If the event of default continues uncured at the end of such further period, then the non-defaulting party may terminate this PPA immediately by written notice to the defaulting party.
- (c) The right of termination shall be in addition to all other rights and remedies available to the non-defaulting party, at law or in equity or otherwise. Such rights and remedies may include compensation for monetary damages, injunctive relief and specific performance.
- (d) Nothing in this Clause 15 (Default and Termination) shall give any party the right to terminate this PPA for a breach of any obligation save and except for an event of default as stated in Clauses 15.1 (SPP Events of Default), 15.2 (Walk Away Events) and 15.3 (TNB Events of Default).
- (e) The provisions of Clauses 15.4(c) and 15.4(d) shall survive termination of this PPA.

**(x) Consequences of Termination**

- (a) If TNB terminates this PPA as a result of an event of default by SPP, TNB shall have the option but not the obligation, exercisable by notice in writing within sixty (60) days of the termination of this PPA, to purchase the Project in the manner and for the purchase price determined in accordance with the provisions of the Appendix J of the PPA. In the event that the option is exercised, SPP shall sell the Project to TNB.
- (b) If SPP terminates this PPA as a result of an event of default by TNB, SPP shall have the option but not the obligation, exercisable by notice in writing within sixty (60) days of the termination of this PPA, to sell the Project to TNB, in the manner and for the purchase price determined in accordance with the provisions of the Appendix J of the PPA. In the event that the option is exercised, TNB shall purchase the Project from SPP.
- (c) SPP shall ensure that the financing parties specifically acknowledge and are bound by TNB's rights set out in this Clause 15.5 (Consequences of Termination).
- (d) The provisions of this Clause 15.5 (Consequences of Termination) and Appendix J of the PPA shall survive termination of this PPA.

[ The rest of this page is intentionally left blank ]

---

## APPENDIX IV - FURTHER INFORMATION

---

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

### 2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS

#### 2.1 M&A Securities

M&A Securities, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

M&A Securities confirms that there is no conflict of interest that exists or is likely to exist in its capacity as the Principal Adviser to SCBUILD/0109 in relation to the Proposals.

#### 2.2 Protégé

Protégé, being the independent market researcher for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, extracts of its IMR Report and all references thereto in the form and context in which they appear in this Circular.

Protégé confirms that there is no conflict of interest that exists or is likely to exist in its capacity as the independent market researcher to SCBUILD/0109 in relation to the Proposals.

#### 2.3 AER

AER, being the Independent Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Independent Advice Letter and all references thereto in the form and context in which they appear in this Circular.

AER confirms that there is no conflict of interest that exists or is likely to exist in its capacity as the Independent Adviser to SCBUILD/0109 in relation to the Proposals.

### 3. MATERIAL CONTRACTS

#### SCBUILD/0109

Save for the JVA, Supplemental Agreement, PPA and the following, as at the LPD, SCBUILD/0109 Group has not entered into any material contracts (not being contracts entered into the ordinary course of business) within 2 years immediately preceding the date of the Circular:

- (a) Collaboration agreement dated 24 July 2024 entered into between SCECSB, SC Estate IBS Sdn Bhd, RMM Maju Malaysia Sdn Bhd, Visi Sempena Sdn Bhd and AMSB for the joint venture arrangement to work together as joint venture partners for the development of a building construction project comprising of 510 units of Affordable Houses on that piece of land held under HS(D)14970, PT819, Bandar Alor Setar, Daerah Kota Setar, Kedah Darul Aman measuring approximately 7,345.5646 square meters will be developed in phase by phase.

As at LPD, there is no material development in relation to the collaboration agreement dated 24 July 2024 entered into between SCECSB, SC Estate IBS Sdn Bhd, RMM Maju Malaysia Sdn Bhd, Visi Sempena Sdn Bhd and AMSB.

---

**APPENDIX IV - FURTHER INFORMATION (cont'd)**

---

(b) Joint venture agreement dated 17 October 2024 entered into between SCBUILD/0109 and JK Spark Sdn Bhd to collaborate and participate in the submission as a consortium for the large scale solar power plants for Sabah project initiated by the Energy Commission of Sabah.

The consortium's tender submission for the said project was unsuccessful.

(c) Mutual termination letter dated 23 October 2024 entered into between Merchant Esteem Sdn Bhd and SC Estate IBS Sdn Bhd to mutually terminate the letter of award dated 15 January 2021 from Merchant Esteem Sdn Bhd for the proposed prototype solar power on the roofs on one unit of terrace/ shop houses and the proposed finance, build and complete of 28 units single storey terrace/ shop houses at town of Alor Setar, State of Kedah Daul Aman, Malaysia.

(d) Sale and purchase agreement dated 28 October 2024 entered into between SCECSB and Aspirasi BS (Melaka) Sdn Bhd for the disposal of a piece of 99 years leasehold land held under title no PN23168, Lot 10511, Mukim Batu Berendam, Daerah Melaka Tengah, Negeri Melaka measuring approximately 8,137 square meters in area together with all buildings erected thereon with lease expiring on 30 December 2097 for a total purchase consideration of RM2,600,000.00 ("**Melaka Land Disposal SPA**").

(e) Supplemental agreement to the Melaka Land Disposal SPA 8 November 2024 entered into between SCECSB and Aspirasi BS (Melaka) Sdn Bhd to vary the terms of the Melaka Land Disposal SPA:-

- (i) a piece of ninety-nine (99) years vacant leasehold land held under title No: PN23168, Lot 10511, Mukim Batu Berendam, Daerah Melaka Tengah, Negeri Melaka measuring approximately 8,137 square meters in area with lease expiring on 30 December 2097 ("**Property**").
- (ii) Both parties agree and confirm that the purchase of the said Property is on "as is where is basis" and the said Property is a vacant land.
- (iii) Both parties agree and confirm that the Melaka Land Disposal SPA merely describes the said Property in general form and that the purchase of the Property is on an "as is, where is" basis at all times.

As at the LPD, the Melaka Land Disposal SPA is currently ongoing pending completion.

(f) Memorandum of understanding dated 16 January 2025 entered into between SCBUILD/0109, Juruwasa Sdn Bhd and China National Electric Engineering Co Ltd for the development of the 1000 ton/ton Waste to Energy Project in Kota Kinabalu, Sabah, Malaysia.

As at LPD, there is no material development in relation to the memorandum of understanding dated 16 January 2025 entered into between SCBUILD/0109, Juruwasa Sdn Bhd, and China National Electric Engineering Co Ltd.

(g) Sale and purchase agreement dated 23 January 2025 entered into between SCECSB and Aspirasi BS (Melaka) Sdn Bhd for the disposal of a piece of vacant land held under title no GM14815, Lot 282, Bandar Alor Setar, Daerah Kota Setar, Kedah Darul Aman measuring approximately 3,630 square meters (0.363 hectares) in area whereby the express condition of the land is "tanah yang terkandung dalam hakmilik ini hendaklah digunakan bagi maksud tapak resort sahaja" for a total purchase consideration of RM5,450,000.00 ("**Kedah Land Lot 282 Disposal SPA**").

As at the LPD, the Kedah Land Lot 282 Disposal SPA is currently ongoing pending completion.

---

## **APPENDIX IV - FURTHER INFORMATION (cont'd)**

---

(h) Sale and purchase agreement dated 30 April 2025 entered into between SCECSB and Pioneer Privilege Sdn Bhd for the disposal of a piece of vacant land held under title no GM14814, Lot 279, Bandar Alor Setar, Daerah Kota Setar, Kedah Darul Aman measuring approximately 5,897 square meters (0.5897 hectares) in area whereby the express condition of the land is "tanah yang terkandung dalam hakmilik ini hendaklah digunakan bagi maksud tapak resort sahaja" for a total purchase consideration of RM 7,937,500.00 ("Kedah Land Lot 279 Disposal SPA").

As at the LPD, the Kedah Land Lot 279 Disposal SPA is currently ongoing pending completion.

### **AMSC Solar**

Save for the PPA, as at the LPD, AMSC Solar has not entered into any material contracts (not being contracts entered into the ordinary course of business) within 2 years immediately preceding the date of the Circular.

## **4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

### **SCBUILD/0109**

As at the LPD, SCBUILD/0109 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 SCBUILD/0109 Group and the Board has no knowledge of any proceedings, pending or threatened against SCBUILD/0109 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 SCBUILD/0109 Group.

### **AMSC Solar**

As at the LPD, AMSC Solar 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 AMSC Solar and the Board has no knowledge of any proceedings, pending or threatened against AMSC Solar 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 AMSC Solar.

## **5. MATERIAL COMMITMENT**

As at the LPD, there are no material commitments incurred or known to be incurred by the Group, within or outside Malaysia, which may have a material impact on the Group's financial position or business.

## **6. CONTINGENT LIABILITIES**

As at LPD, there are no contingent liabilities, incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the ability of the Group to meet its obligations as and when they fall due.

---

## **APPENDIX IV - FURTHER INFORMATION**

---

### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office at 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) from the date of this Circular up to and including the date of the EGM:

- (a) Constitution of SCBUILD/0109;
- (b) Constitution of AMSB;
- (c) Unaudited quarterly report of SCBUILD/0109 for 6-months financial period ended 31 January 2025;
- (d) Audited consolidated financial statements of SCBUILD/0109 for the 18-month financial period ended 31 January 2023 and the 15-month financial period ended 31 July 2024;
- (e) the JVA;
- (f) the Supplemental Agreement;
- (g) the PPA;
- (h) material contracts as referred to in Section 3 above;
- (i) IMR Report prepared by Protégé; and
- (j) Letters of consent and declarations as referred to in Section 2 above.

**[ The rest of this page is intentionally left blank ]**



## SC ESTATE BUILDER BERHAD

Registration No. 200401017162 (655665-T)

(Incorporated in Malaysia)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting ("EGM") of SC Estate Builder Berhad ("SCBUILD/0109" or the "Company") will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya Selangor Darul Ehsan, Malaysia on Monday, 30 June 2025 at 11.00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

#### ORDINARY RESOLUTION 1

##### **PROPOSED JOINT VENTURE BETWEEN SC ESTATE CONSTRUCTION SDN BHD ("SCECSB") AND ANJUNG MERIAH SDN BHD ("AMSB") TO DEVELOP THE LARGE SCALE SOLAR PHOTOVOLTAIC PLANT OF 4.00 MEGAWATTS IN ARAU, PERLIS ("PROPOSED JOINT VENTURE")**

**"THAT** subject to the approvals being obtained from the relevant authorities and/or parties as set out in the joint venture agreement dated 24 July 2024 entered into between SCECSB, a wholly-owned subsidiary of SCBUILD/0109 and AMSB ("JVA"), approval be and is hereby given for SCECSB to develop the Large Scale Solar Photovoltaic Plant of 4.00 megawatts in Arau, Perlis, upon the terms and conditions as stipulated in the JVA.

**THAT** the Board of Directors of the Company ("Board") be and is/are hereby authorised and empowered to do all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company and/or SCECSB, all such documents to give effect to the Proposed Joint Venture with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Proposed Joint Venture in any manner in the best interest of the Company and/or SCECSB or as may be required or imposed by the relevant authorities and/or parties and to take all such steps as it may consider necessary or expedient to implement, finalise and give full effect to the Proposed Joint Venture.

**AND THAT** any and all actions taken by the Board and/or SCECSB in connection with the JVA to date or as may be incidental to, ancillary to or expedient in connection with the Proposed Joint Venture be and are hereby approved and ratified."

#### ORDINARY RESOLUTION 2

##### **PROPOSED PRIVATE PLACEMENT OF UP TO 1,227,685,900 NEW ORDINARY SHARES IN SCBUILD/0109 ("SCBUILD/0109 SHARES" OR "SHARES"), REPRESENTING NOT MORE THAN 30% OF THE TOTAL NUMBER OF ISSUED SHARES OF SCBUILD/0109 ("PROPOSED PRIVATE PLACEMENT")**

**"THAT** subject to the passing of Ordinary Resolution 1, all approvals of the relevant authorities and/or persons (if required) being obtained, approval be and is hereby given to the Board to issue and allot up to 1,227,685,900 new SCBUILD/0109 Shares ("Placement Shares"), representing not more than 30% of the total number of issued Shares in SCBUILD/0109, by way of private placement to independent investor(s) to be identified later ("Placees"), in single or multiple tranches, at an issue price for each tranche to be determined and fixed by the Board at a later date after all the relevant approvals have been obtained;

**THAT**, the issue price for each tranche of the Placement Shares will be determined based on a discount of not more than 20% to the volume weighted average market price of SCBUILD/0109 Shares for the 5 market days immediately preceding the price-fixing date;

**THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular to shareholders of the Company dated 13 June 2025 and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, in the best interest of the Company, subject to the compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant authorities (where required);

**THAT** such Placement Shares shall, upon allotment and issuance, rank equally in all respect with the existing SCBUILD/0109 Shares, except that holders of the Placement Shares shall not be entitled to any dividends, rights, allotments or other forms of distributions, that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date(s) are prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of the Company's Constitution;

**THAT** pursuant to Section 85(1) of the Companies Act 2016 ("**Act**") to be read together with Clause 58 of the Company's constitution, it may be construed to mean that all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**") and accordingly, should this resolution for the allotment and issuance of the Placement Shares be passed by the shareholders of the Company, this resolution shall have the effect of the shareholders of the Company having agreed to irrevocably waive their Pre-emptive Rights in respect of the new Placement Shares to be allotted and issued by the Company pursuant to the Proposed Private Placement, and in this respect approval is hereby given for the Pre-emptive Rights of the shareholders of the Company to be offered with new shares in the Company in proportion to their shareholding in the Company pursuant to Section 85 of the Act and Clause 58 of the Company's Constitution to be and is hereby waived in respect of the issuance and allotment of the Placement Shares pursuant to the Proposed Private Placement;

**AND THAT** approval be and is hereby given to the Board to sign, execute and deliver on behalf of the Company all necessary documents and to do all acts and things as may be required for or in connection with and to give full effect to and complete the Proposed Private Placement, with full power and discretion to assent to or make any modifications, variations and/or amendments in any manner as may be imposed, required or permitted by the relevant authorities or deemed necessary by the Board, and to take all steps and actions as it may deem necessary or expedient in the best interests of the Company to finalise, implement and give full effect and to complete the Proposed Private Placement."

### **ORDINARY RESOLUTION 3**

#### **APPOINTMENT OF AUDITORS**

**"THAT** Messrs SBY Partners PLT (AF 0660) be and is hereby appointed as Auditors of the Company in place of Messrs ChengCo PLT (AF 0886) who has retired as Auditors of the Company, and to hold office until the next Annual General Meeting at a remuneration to be determined by the Directors."

#### **BY ORDER OF THE BOARD SC ESTATE BUILDER BERHAD**

**TAN TONG LANG** (MAICSA 7045482/SSM PC No. 202208000250)  
**NURUL SYAHIDAH BINTI MAT TAHIL** (LS0010742/SSM PC No. 202308000535)  
Company Secretaries  
Kuala Lumpur

13 June 2025

**Notes:**

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 shall be eligible to attend, speak and vote at the EGM.*
2. *A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer.*
5. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.*
6. *Where a member is an exempt authorised nominee which holds deposited securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
8. *Pursuant to Rule 8.31A of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice of EGM will be put to vote by way of poll.*

## **FORM OF PROXY**



## SC ESTATE BUILDER BERHAD

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

CDS Account No.	No. of shares held

\*I/We

(Full name in block, NRIC/Passport/Company No)

Telephone no./ email address:

of

*(Full address)*

being member(s) of SC ESTATE BUILDER BERHAD, hereby appoint:

<b>Full Name (in Block)</b>	<b>NRIC/Passport No.</b>	<b>Proportion of Shareholdings</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Address</b>			

\*and / or\* (\*delete as appropriate)

<b>Full Name (in Block)</b>	<b>NRIC/Passport No.</b>	<b>Proportion of Shareholdings</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Address</b>			

or failing him/her, the Chairperson of the Meeting, as \*my/our proxy to vote for \*me/ us and on \*my/ our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya Selangor Darul Ehsan, Malaysia on Monday, 30 June 2025 at 11.00 a.m. or any adjournment thereof to vote as indicated below:

<b>No.</b>	<b>Ordinary Resolution</b>	<b>FOR</b>	<b>AGAINST</b>
1.	Proposed Joint Venture		
2.	Proposed Private Placement		
3.	Appointment of Auditors		

*Please indicate with an "X" in the space provided whether you wish the votes to be cast for or against the resolutions. In the absence of specific direction, the proxy will vote or abstain as he thinks fit.*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

**Signature of Member(s) / Common Seal**



**Notes:**

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 shall be eligible to attend, speak and vote at the EGM.*
2. *A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or under the hand of an officer or attorney duly authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer.*
5. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.*
6. *Where a member is an exempt authorised nominee which holds deposited securities in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
8. *Pursuant to Rule 8.31A of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice of EGM will be put to vote by way of poll.*

[ The rest of this page is intentionally left blank ]

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

**THE SHARE REGISTRAR OF  
SC ESTATE BUILDER BERHAD**  
[Registration No. 200401017162 (655665-T)]  
**ShareWorks Sdn. Bhd.**  
No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas  
50480 Kuala Lumpur, Wilayah Persekutuan

1st fold here

