

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 31 JULY 2016

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 Months Ended</u>		<u>6 Months Ended</u>	
	<u>31-Jul-16</u>	<u>31-Jul-15</u>	<u>31-Jul-16</u>	<u>31-Jul-15</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
Revenue	16,646,969	4,497,417	18,753,411	8,550,803
Cost of sales	(15,832,843)	(4,320,037)	(17,822,607)	(7,824,710)
Gross profit	<u>814,126</u>	<u>177,380</u>	<u>930,804</u>	<u>726,093</u>
Other operating income	278,143	691,331	494,544	1,132,346
Operating expenses	(719,514)	(1,091,178)	(1,442,239)	(2,178,643)
Profit/(loss) from operations	<u>372,755</u>	<u>(222,467)</u>	<u>(16,891)</u>	<u>(320,204)</u>
Share of result in associated company	21,578	32,451	151,300	150,579
Finance costs	(120)	(78,625)	(366)	(149,446)
Profit/(loss) before taxation	<u>394,213</u>	<u>(268,641)</u>	<u>134,043</u>	<u>(319,071)</u>
Income Tax	(74,003)	-	(74,003)	-
Profit/(loss) for the period / Total comprehensive income/(loss)	<u>320,210</u>	<u>(268,641)</u>	<u>60,040</u>	<u>(319,071)</u>
Profit/(loss) for the period attributable to:				
Owners of the Parent	320,210	(42,300)	60,040	(43,009)
Non-Controlling Interest	-	(226,341)	-	(276,062)
	<u>320,210</u>	<u>(268,641)</u>	<u>60,040</u>	<u>(319,071)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	320,210	(42,300)	60,040	(43,009)
Non-Controlling Interest	-	(226,341)	-	(276,062)
	<u>320,210</u>	<u>(268,641)</u>	<u>60,040</u>	<u>(319,071)</u>
Basic earning/(loss) per ordinary share (sen)	0.040	(0.005)	0.008	(0.005)

(The unaudited condensed consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 JULY 2016**

	(Unaudited) As at 31-Jul-16 RM	(Audited) As at 31-Jan-16 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,490,553	2,455,950
Investment in associated company	530,442	530,442
Other investments	1,157,500	1,085,500
Current Assets		
Inventories	1,763,547	3,063,419
Trade receivables	15,458,217	2,984,645
Other receivables, deposits and prepayment	10,914,109	352,919
Gross amount due from contract customer	-	-
Amount due from associated company	151,300	480,000
Fixed Deposits with a licensed bank	-	21,000,000
Cash and bank balances	3,599,458	631,885
GST Claimable	1,343	-
	<u>31,887,974</u>	<u>28,512,868</u>
TOTAL ASSETS	<u>36,066,469</u>	<u>32,584,760</u>
EQUITY AND LIABILITIES		
Share capital	43,948,227	39,952,934
Share premium	8,815,293	8,815,293
Warrants reserve	1,106,144	1,106,144
Foreign exchange translation reserve	145,907	145,907
Merger deficit	(2,575,050)	(2,575,050)
Accumulated losses	(18,138,798)	(18,198,838)
Total equity attributable to the owners of the Company	<u>33,301,723</u>	<u>29,246,390</u>
Non-controlling Interests	-	-
Total Equity	<u>33,301,723</u>	<u>29,246,390</u>
Current Liabilities		
Trade payables	1,861,377	2,415,876
Other payables and accruals	432,421	922,047
Amount owing to associated company	313,768	-
Amount due to directors	47,975	-
GST Payable	34,755	-
Current tax liabilities	74,450	447
	<u>2,764,746</u>	<u>3,338,370</u>
Total Liabilities	<u>2,764,746</u>	<u>3,338,370</u>
TOTAL EQUITY AND LIABILITIES	<u>36,066,469</u>	<u>32,584,760</u>
NTA per share attributable to equity holders of the Company		
- basic (RM)	0.042	0.037

(The unaudited condensed consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)

SC ESTATE BUILDER BERHAD (Company No. 655665-T)
(formerly known as Flonic Hi-Tec Berhad)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2016**

	Attributable to Owners of the Company						Attributable to owners of the Company RM	Non-controlling interest RM	Total equity RM
	Non-Distributable					Accumulated losses RM			
	Share capital RM	Share premium RM	Warrants reserve RM	Foreign exchange translation reserve RM	Merger deficit RM				
6 Months Period Ended 31 July 2016									
Balance at 1 February 2016	39,952,934	8,815,293	1,106,144	145,907	(2,575,050)	(18,198,838)	29,246,390	-	29,246,390
Total comprehensive income for the period	-	-	-	-	-	60,040	60,040	-	60,040
Issuance of shares pursuant to private placement	3,995,293	-	-	-	-	-	3,995,293	-	3,995,293
Balance at 31 July 2016	<u>43,948,227</u>	<u>8,815,293</u>	<u>1,106,144</u>	<u>145,907</u>	<u>(2,575,050)</u>	<u>(18,138,798)</u>	<u>33,301,723</u>	<u>-</u>	<u>33,301,723</u>
6 Months Period Ended 31 July 2015									
Balance at 1 February 2015	39,952,934	8,815,293	1,106,144	145,907	(2,575,050)	(14,223,918)	33,221,310	1,166,780	34,388,090
Total comprehensive loss for the period	-	-	-	-	-	(43,009)	(43,009)	(276,062)	(319,071)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(30)	(30)
Balance at 31 July 2015	<u>39,952,934</u>	<u>8,815,293</u>	<u>1,106,144</u>	<u>145,907</u>	<u>(2,575,050)</u>	<u>(14,266,927)</u>	<u>33,178,301</u>	<u>890,688</u>	<u>34,068,989</u>

(The unaudited condensed consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2016**

	6 Months Ended 31-Jul-16 RM	6 Months Ended 31-Jul-15 RM
Cash Flows From Operating Activities		
Profit/(loss) before taxation	134,043	(319,071)
Adjustments for :-		
Depreciation	169,553	360,435
Interest expense	-	149,446
Reversal of impairment loss on receivables	-	(596,155)
Gain on disposal of property, plant and equipment	-	(5,000)
Share of result of an associated company	-	(150,579)
Interest income	(201,905)	(376,991)
<i>Operating profit/(loss) before working capital changes</i>	101,691	(937,915)
Decrease in inventories	1,299,871	313,447
(Increase)/decrease in receivables	(23,036,105)	1,145,133
Decrease in payables	(1,009,369)	(1,007,965)
<i>Cash used in operations</i>	(22,643,912)	(487,300)
Interest paid	-	(41,607)
Interest received	201,905	376,991
Tax paid	-	(223,628)
<i>Net cash used in operating activities</i>	(22,442,007)	(375,544)
Cash Flows From Investing Activities		
Net cash outflow from acquisition of non-controlling interest	-	(30)
Advances from associated company	642,468	-
Dividend received from an associated company	-	280,000
Purchase of property, plant and equipment	(204,156)	(9,951)
Proceeds from disposal of property, plant and equipment	-	9,000
Proceeds from disposal of investment	93,000	-
Purchase of quoted shares	(165,000)	-
Purchase of investments	-	(1,422,004)
<i>Net cash generated from/(used in) investing activities</i>	366,312	(1,142,985)
Cash Flows From Financing Activities		
Repayment of term loan	-	(123,781)
Proceeds from issuance of shares pursuant to private placement	3,995,293	-
Interest paid	-	(107,839)
Repayment to an associated company	-	(197,421)
Advances from directors	47,975	109,929
Repayment of hire purchase payables	-	(65,410)
<i>Net cash generated from/(used in) financing activities</i>	4,043,268	(384,522)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,032,427)	(1,903,051)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	21,631,885	24,541,975
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	3,599,458	22,638,924
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	3,599,458	2,240,028
Fixed deposits with a licensed bank	-	21,300,000
Bank Overdraft	-	(901,104)
	3,599,458	22,638,924

(The unaudited condensed consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016 and the accompanying explanatory notes attached to this interim financial statements)

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016

A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134 – Interim Financial Reporting, and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The accounting policies and method of computation adopted for the interim financial statements were consistent with those adopted for the audited financial statements for the year ended 31 January 2016.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 January 2016 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

A4. Unusual Items

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows, which are unusual by reason of their nature, size or incidence.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A6. Issuance and Repayment of Debt and Equity Securities

On 15 June 2016, 79,905,869 new shares were issued pursuant to the proposed private placement of up to 10% for the issued and paid up shares capital of the Company at an issue price of RM0.05 per share.

On 17 July 2016, the 79,905,869 new shares were granted listing and quotation on the ACE Market of Bursa Securities.

Other than those mentioned above, there were no issuances, cancellations, repurchases, resale and repayments of debt securities in the current quarter under review.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016

A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

A7. Dividend Paid

There was no dividend declared or paid by the Company during the quarter under review.

A8. Segmental Information

Segment information is presented in respect of the Group's business segments which are based on internal reporting structure presented to the management of the Company.

	6 months ended 31-Jul-16	6 months ended 31-Jul-15
	RM'000	RM'000
Segment Revenue		
Trading of building material	3,790	0
Trading of aluminium and machine parts	7,477	7,255
Investment holding & others	0	1
Project management services	8,642	2,633
Manufacture of furniture	0	20
	<u>19,909</u>	<u>9,909</u>
Elimination of inter-segment revenue	<u>(1,156)</u>	<u>(1,358)</u>
Total revenue	<u>18,753</u>	<u>8,551</u>
Segment Results		
Trading of building materials	143	0
Manufacture of precision cleaning system	0	(16)
Trading of aluminium and machine parts	(188)	223
Investment holding & others	(219)	57
Project management services	227	36
Management services	20	0
Marketing	0	(4)
Manufacture of furniture	0	(616)
Results from operations	<u>(17)</u>	<u>(320)</u>
Share of results in associated company	151	150
Finance Cost	<u>(0)</u>	<u>(149)</u>
Profit/(Loss) before taxation	<u>134</u>	<u>(319)</u>

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the current quarter under review.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016

A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

A10. Material Events Subsequent to the end of the Interim Reporting Period

There were no material events since the end of the current quarter to the date of this announcement that have not been reflected in the interim financial statements.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A12. Contingent Liabilities

As at 31 July 2016, the Group has no outstanding contingent liabilities.

A13. Capital Commitments

As at 31 July 2016, the Group did not have any capital commitments.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B1. Review of Performance

The turnover for the current quarter under review was RM16.647 million as compared to RM4.497 million in the corresponding period last year. The turnover for current quarter increased by 270% compared to the corresponding period last year due to increase in revenue from project management services segment and trading of building material segment.

The Group posted a profit before taxation of RM0.394 million for the current quarter as compared to a loss before taxation of RM0.269 million in the corresponding period last year.

B2. Material Changes in Quarterly Results Compared to the Results of the Preceding Quarter

	Current quarter Ended 31-Jul-16 RM'000	Preceding quarter Ended 30-Apr-16 RM'000
Turnover	16,647 =====	2,106 =====
Profit/(Loss) before taxation	394 =====	(260) =====

Turnover for current quarter was RM16.647million as compared to immediate preceding quarter of RM2.106 million. There was increase of RM14.541 million in turnover for the current quarter as compared to immediate preceding quarter. The increase in turnover was due to increase in revenue from project management services segment and trading of building material segment.

The Group recorded a profit before taxation of RM0.394 million on a turnover of RM16.647 million for the current quarter under review compared to loss before taxation of RM0.260 million on a turnover of RM2.106 million for the immediate preceding quarter.

B3. Commentary on Prospects

During the 2nd quarter in May 2016, Jiwa Project Sdn. Bhd., a wholly owned subsidiary of the Company had secured a project management contract to undertake a construction package for residential properties consisting of 28 units single storey detached, 150 units double storey semi-detached and infrastructure works in Batu Berendam, Melaka for a contract sum of RM30.863 million. In the same quarter, the Group had also expanded its business in the trading of building materials.

The project management operations and trading in building materials were both doing well in the 2nd quarter which had contributed positive results to the Group.

In the next few quarters, the Group expects these 2 segments, which have become the core business of the Group, to contribute positively for the financial year ending 2017.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B4. Variance of Actual Profit from Forecast Profit

This is not applicable as no profit forecast was published.

B5. Profits on Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties during the current quarter under review.

B6.. Corporate Proposals

(a) Status of utilisation of Rights Issue Proceeds

The utilisation of proceeds as at 31 July 2016.

<u>Purpose</u>	<u>Proposed to be utilised RM'000</u>	<u>Actual Utilisation as at 31-Jul-16 RM'000</u>	<u>Intended timeframe for utilisation</u>	<u>(Deviation) / Unutilised RM'000</u>	<u>%</u>
i) Acquisition of 21% equity interest in JHSB	2,625	2,625	Within 3 months	-	-
ii) Working capital and capital expenditure	24,808	24,808	Within 24 months	-	-
iii) Expenses for the Rights Issue with Warrants	529	529	Within 1 month	-	-
	<u>27,962</u>	<u>27,962</u>		<u>-</u>	

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016

A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

(b) Status of utilisation of Private Placement Proceeds

On 17 June 2016, the Company had completed the Private Placement of up to 10% of the issued and paid-up share capital of the Company and issued 79,905,869 units of shares, issue price being par value of RM0.05 per share which amounts to RM3,995,293.

The utilisation proceeds as at 31 July 2016.

<u>Purpose</u>	Proposed	Actual	Intended	(Deviation)	%
	to be utilised	Utilisation as at 31-Jul-16	timeframe for utilisation	/ Unutilised	
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	
i) Business expansion	3,845	3,014	Within 18 months	831	22
ii) Defray estimated expenses	150	150	Upon completion	-	-
	<u>3,995</u>	<u>3,164</u>		<u>831</u>	

B7. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at the date of this report.

B8. Material Litigation

There was no pending material litigation as at the date of this report.

B9. Profit/(Loss) per Share

The basic loss per share was calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the period.

	Quarter ended		Year to date	
	31-Jul-16	31-Jul-15	31-Jul-16	31-Jul-15
Net profit/(loss) for the financial period (RM'000)	320	(42)	60	(43)
Weighted average number of ordinary shares of 5 sen each in issue ('000)	812,955	799,509	806,122	799,059
Basic profit/(loss) per ordinary share of 5 sen each (sen)	0.04	(0.01)	0.01	(0.01)

NOTES TO THE QUARTERLY REPORT – 31 JULY 2016
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B10. Realised and Unrealised Accumulated Losses

	As at 31-Jul-16 RM'000	As at 31-Jan-16 RM'000
Total accumulated losses of the Group		
- Realised	(16,340)	(16,400)
- Unrealised	0	0
	<u>(16,340)</u>	<u>(16,400)</u>
Total share of accumulated losses from associated companies		
- Realised	(62)	(62)
- Unrealised	0	0
	<u>(16,402)</u>	<u>(16,462)</u>
Less: Consolidated adjustments	(1,737)	(1,737)
Total accumulated losses as per Statements of Financial Position	<u>(18,139)</u>	<u>(18,199)</u>

B11. Notes to the Statements of Profit or Loss and Other Comprehensive Income

	Current quarter ended 31-Jul-16 RM'000	Current year to date 31-Jul-16 RM'000
Depreciation & amortisation	89	170
Interest income	(34)	(202)

Other than as disclosed above, the Group does not have other material items that are recognised as profit or loss in the Statements of Profit or Loss and Other Comprehensive Income.

BY ORDER OF THE BOARD

LOH BOON GINN
 Managing Director