

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31 OCTOBER 2016

	Current Quarter Ended 31-Oct-16 RM'000	Comparative Quarter Ended 31-Oct-15 RM'000	9 Months Cumulative To Date 31-Oct-16 RM'000	Comparative 9 Months Cumulative To Date 31-Oct-15 RM'000
Revenue	15,450	5,720	34,203	14,271
Cost of sales	(14,070)	(5,348)	(31,893)	(13,173)
Gross profit	<u>1,380</u>	<u>372</u>	<u>2,310</u>	<u>1,098</u>
Other operating income/(loss)	(134)	301	586	1,433
Operating expenses	(807)	(1,291)	(2,474)	(3,470)
Profit/(loss) from operations	<u>439</u>	<u>(618)</u>	<u>422</u>	<u>(939)</u>
Share of result in associated company	(39)	214	113	365
Finance costs	-	(70)	(1)	(219)
Profit/(loss) before taxation	<u>400</u>	<u>(474)</u>	<u>534</u>	<u>(793)</u>
Income Tax	(265)	-	(339)	-
Profit/(loss) for the period / Total comprehensive income/(loss)	<u>135</u>	<u>(474)</u>	<u>195</u>	<u>(793)</u>
Profit/(loss) for the period attributable to:				
Owners of the Parent	135	(1,348)	195	(1,391)
Non-Controlling Interest	-	874	-	598
	<u>135</u>	<u>(474)</u>	<u>195</u>	<u>(793)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	135	(1,348)	195	(1,391)
Non-Controlling Interest	-	874	-	598
	<u>135</u>	<u>(474)</u>	<u>195</u>	<u>(793)</u>
Basic earning/(loss) per ordinary share (sen)	0.015	(0.169)	0.022	(0.174)

(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 OCTOBER 2016**

	(Unaudited) As at 31-Oct-16 RM'000	(Audited) As at 31-Jan-16 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,489	2,456
Investment in associated company	530	530
Other investments	45	1,086
Current Assets		
Inventories	1,823	3,063
Trade receivables	22,123	2,985
Other receivables, deposits and prepayment	7,880	353
Amount due from associated company	113	480
Fixed deposits with a licensed bank	708	21,000
Cash and bank balances	1,132	632
GST claimable	22	-
	33,801	28,513
TOTAL ASSETS	36,865	32,585
EQUITY AND LIABILITIES		
Share capital	43,948	39,953
Share premium	8,815	8,815
Warrants reserve	1,106	1,106
Foreign exchange translation reserve	146	146
Merger deficit	(2,575)	(2,575)
Accumulated losses	(18,004)	(18,199)
Total equity attributable to the owners of the Company	33,436	29,246
Non-controlling Interests	-	-
Total Equity	33,436	29,246
Current Liabilities		
Trade payables	2,220	2,416
Other payables and accruals	781	922
Amount due to directors	49	-
GST payable	41	-
Current tax liabilities	338	1
	3,429	3,339
Total Liabilities	3,429	3,339
TOTAL EQUITY AND LIABILITIES	36,865	32,585
NTA per share attributable to equity holders of the Company		
- basic (RM)	0.038	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 OCTOBER 2016**

	Attributable to Owners of the Company					Accumulated losses
	Share capital	Share premium	Warrants reserve	Foreign exchange translation reserve	Merger deficit	
<u>9 Months Period Ended 31 October 2016</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 February 2016	39,953	8,815	1,106	146	(2,575)	(18,195)
Total comprehensive income for the period	-	-	-	-	-	195
Issuance of shares pursuant to private placement	3,995	-	-	-	-	-
Balance at 31 October 2016	<u>43,948</u>	<u>8,815</u>	<u>1,106</u>	<u>146</u>	<u>(2,575)</u>	<u>(18,000)</u>
<u>9 Months Period Ended 31 October 2015</u>						
Balance at 1 February 2015	39,953	8,815	1,106	146	(2,575)	(14,224)
Total comprehensive loss for the period	-	-	-	-	-	(1,391)
Acquisition of non-controlling interest	-	-	-	-	-	-
Balance at 31 October 2015	<u>39,953</u>	<u>8,815</u>	<u>1,106</u>	<u>146</u>	<u>(2,575)</u>	<u>(15,615)</u>

(The unaudited condensed consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statement accompanying explanatory notes attached to this interim financial statements)

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

	9 Months Ended 31-Oct-16 RM'000	9 Months Ended 31-Oct-15 RM'000
Cash Flows From Operating Activities		
Profit/(loss) before taxation	534	(793)
Adjustments for :-		
Depreciation	261	564
Impairment loss for other investments	188	-
Interest expense	-	220
Reversal of impairment loss on receivables	-	(596)
Interest expense	1	-
Inventories written down	122	-
Gain on disposal of property, plant and equipment	-	(5)
Share of result of an associated company	-	(365)
Interest income	(101)	(557)
Operating profit/(loss) before working capital changes	1,005	(1,532)
Decrease in inventories	1,118	764
(Increase)/decrease in receivables	(26,687)	(213)
Decrease in payables	(298)	(1,641)
<i>Cash used in operations</i>	(24,862)	(2,622)
Interest paid	1	(60)
Interest received	101	557
Tax paid	-	(313)
Net cash used in operating activities	(24,760)	(2,438)
Cash Flows From Investing Activities		
Net cash outflow from acquisition of non-controlling interest	-	(1)
Advances from/(to) associated company	368	(168)
Dividend received from an associated company	-	448
Purchase of property, plant and equipment	(295)	(738)
Proceeds from disposal of property, plant and equipment	-	9
Proceeds from disposal of investment	1,017	-
Purchase of quoted shares	(165)	-
Purchase of investments	-	(1,422)
Net cash generated from/(used in) investing activities	925	(1,872)
Cash Flows From Financing Activities		
Repayment of term loan	-	(254)
Proceeds from issuance of shares pursuant to private placement	3,995	-
Interest paid	-	(159)
Repayment to an associated company	-	(198)
Advances from directors	48	592
Repayment of hire purchase payables	-	(92)
Net cash generated from/(used in) financing activities	4,043	(111)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,792)	(4,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	21,632	24,542
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	1,840	20,121
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,132	509
Fixed deposits with a licensed bank	708	21,000
Bank overdraft	-	(1,388)
	1,840	20,121

(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 OCTOBER 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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

A7. Dividend Paid

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

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

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.

	9 months ended 31-Oct-16	9 months ended 31-Oct-15
	RM'000	RM'000
Segment Revenue		
Trading of building material	4,434	-
Trading of aluminium and machine parts	11,193	11,638
Investment holding & others	-	1
Project management services	20,370	4,101
Manufacture of furniture	-	413
	<u>35,997</u>	<u>16,153</u>
Elimination of inter-segment revenue	<u>(1,794)</u>	<u>(1,882)</u>
Total revenue	<u>34,203</u>	<u>14,271</u>
Segment Results		
Trading of building materials	151	-
Manufacture of precision cleaning system	-	(5)
Trading of aluminium and machine parts	(357)	8
Investment holding & others	(272)	(49)
Project management services	1,430	(376)
Management services	(530)	-
Marketing	-	(4)
Manufacture of furniture	-	(512)
Results from operations	<u>422</u>	<u>(938)</u>
Share of results in associated company	113	365
Finance cost	<u>(1)</u>	<u>(220)</u>
Profit/(Loss) before taxation	<u>534</u>	<u>(793)</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.

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.

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

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 October 2016, the Group has no outstanding contingent liabilities.

A13. Capital Commitments

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

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

B1. Review of Performance

The Group registered a higher revenue of RM15.450 million and RM34.203 million for the current quarter and period to date as compared to RM5.720 million and RM14.271 million for the preceding year corresponding quarter and period to date respectively. The increase in revenue for the current quarter and period to date was mainly attributable to higher revenue achieved by the project management segment.

In consequent thereto, the Group registered a profit before taxation of RM0.400 million and RM0.533 million for the current quarter and period to date as compared to a loss before taxation of RM0.474 million and RM0.793 million for the preceding year corresponding quarter and period to date respectively.

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

	Current quarter ended 31-Oct-16 RM'000	Preceding quarter ended 31-Jul-16 RM'000
Turnover	15,450 =====	16,647 =====
Profit before taxation	400 =====	394 =====

Turnover for current quarter was RM15.450 million as compared to immediate preceding quarter of RM16.647 million. There was a decrease of RM1.197 million in turnover for the current quarter as compared to immediate preceding quarter. The decrease in turnover was due to lower sales in building material segment.

The Group recorded a profit before taxation of RM0.400 million on a turnover of RM15.450 million for the current quarter under review compared to a profit before taxation of RM0.394 million on a turnover of RM16.647 million for the immediate preceding quarter.

B3. Commentary on Prospects

The current project in Melaka is expected to be completed in March 2017. The Group will continue to work hard to secure additional projects to ensure the future profitability of the Group. Meanwhile, the building materials division is expanding its workforce for its plan to penetrate into different type of building materials to cater for affordable housing scheme.

B4. Variance of Actual Profit from Forecast Profit

This is not applicable as no profit forecast was published.

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

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 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 October 2016.

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

NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2016

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

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-Oct-16	31-Oct-15	31-Oct-16	31-Oct-15
Net profit/(loss) for the financial period (RM '000)	135	(474)	195	(793)
Weighted average number of ordinary shares of 5 sen each in issue ('000)	878,965	799,509	878,965	799,059
Basic profit/(loss) per ordinary share of 5 sen each (sen)	0.02	(0.06)	0.02	(0.10)

B10. Realised and Unrealised Accumulated Losses

	As at 31-Oct-16 RM'000	As at 31-Jan-15 RM'000
Total accumulated losses of the Group		
- Realised	(16,205)	(16,400)
- Unrealised	0	0
	<u>(16,205)</u>	<u>(16,400)</u>
Total share of accumulated losses from associated companies		
- Realised	(62)	(62)
- Unrealised	0	0
	<u>(16,267)</u>	<u>(16,462)</u>
Less: Consolidated adjustments	(1,737)	(1,737)
Total accumulated losses as per Statements of Financial Position	<u>(18,004)</u>	<u>(18,199)</u>

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

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

	Current quarter ended 31-Oct-16 RM'000	Current year to date 31-Oct-16 RM'000
Depreciation & amortisation	172	261
Interest income	(21)	(101)

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