

SC ESTATE BUILDER BERHAD (Company No. 655665-T)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 31 JANUARY 2018

	Current Quarter Ended 31-Jan-18 RM'000	Comparative Quarter Ended 31-Jan-17 RM'000	12 Months Cumulative To Date 31-Jan-18 RM'000	Comparative 12 Months Cumulative To Date 31-Jan-17 RM'000
Revenue	7,656	10,970	21,528	45,173
Cost of sales	(4,324)	(9,755)	(16,833)	(41,648)
Gross profit	<u>3,332</u>	<u>1,215</u>	<u>4,695</u>	<u>3,525</u>
Other operating income	1,431	(27)	1,467	560
Operating expenses	(1,131)	(1,979)	(4,366)	(4,454)
Profit/(Loss) from operations	<u>3,632</u>	<u>(791)</u>	<u>1,796</u>	<u>(369)</u>
Share of result in associated company	(33)	(149)	100	(37)
Finance costs	-	(1)	-	(1)
Profit/(Loss) before taxation	<u>3,599</u>	<u>(941)</u>	<u>1,896</u>	<u>(407)</u>
Income Tax	(715)	(257)	(814)	(595)
Profit/(Loss) for the year / Total comprehensive income/(loss)	<u>2,884</u>	<u>(1,198)</u>	<u>1,082</u>	<u>(1,002)</u>
Profit/(Loss) for the year attributable to:				
Owners of the Parent	2,884	(1,198)	1,082	(1,002)
Non-Controlling Interest	-	-	-	-
	<u>2,884</u>	<u>(1,198)</u>	<u>1,082</u>	<u>(1,002)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	2,884	(1,198)	1,082	(1,002)
Non-Controlling Interest	-	-	-	-
	<u>2,884</u>	<u>(1,198)</u>	<u>1,082</u>	<u>(1,002)</u>
Basic earnings/(loss) per ordinary share (sen)	0.33	(0.14)	0.12	(0.11)

(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 2017 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JANUARY 2018**

	(Unaudited) As at 31-Jan-18 RM'000	(Audited) As at 31-Jan-17 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,167	2,707
Investment in associated company	-	493
Other investments	-	35
Current Assets		
Inventories	-	1,186
Trade receivables	31,717	23,394
Other receivables, deposits and prepayment	1,857	6,688
Amount owing by contract customer	30	-
Amount due from associated company	-	50
Fixed deposits with a licensed bank	-	712
Cash and bank balances	1,190	937
	<u>34,794</u>	<u>32,967</u>
TOTAL ASSETS	<u>36,961</u>	<u>36,202</u>
EQUITY AND LIABILITIES		
Share capital	22,443	43,948
Share premium	8,331	8,815
Warrants reserve	1,106	1,106
Foreign exchange translation reserve	-	146
Merger deficit	(2,575)	(2,575)
Accumulated profit/(losses)	3,602	(19,192)
Total equity attributable to the owners of the Company	<u>32,907</u>	<u>32,248</u>
Total Equity	<u>32,907</u>	<u>32,248</u>
Non-current liabilities		
Deferred tax liabilities	9	-
Hire-purchase payables	-	216
	<u>9</u>	<u>216</u>
Current Liabilities		
Trade payables	1,733	982
Other payables, provisions and accruals	1,016	2,187
Amount due to directors	75	14
Hire-purchase payables	-	30
Current tax liabilities	1,221	525
	<u>4,045</u>	<u>3,738</u>
Total Liabilities	<u>4,054</u>	<u>3,954</u>
TOTAL EQUITY AND LIABILITIES	<u>36,961</u>	<u>36,202</u>
NTA per share attributable to equity holders of the Company - basic (RM)	0.037	0.038

(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 2017 and the accompanying explanatory notes attached to this interim financial statements)

SC ESTATE BUILDER BERHAD (Company No. 655665-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Attributable to Owners of the Company								
	Share capital	Share premium	Non-Distributable			Accumulated profit/losses	Attributable to owners of the Company	Non-controlling interest	Total equity
Warrants reserve			Foreign exchange translation reserve	Merger deficit					
12 Months Period Ended 31 January 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 February 2017	43,948	8,815	1,106	146	(2,575)	(19,192)	32,248	-	32,248
Total comprehensive loss for the period	-	-	-	-	-	1,082	1,082	-	1,082
Exercise of warrants	207	-	-	-	-	-	207	-	207
Expenses incurred in relation to Rights Issue with Warrants	-	(484)	-	-	-	-	(484)	-	(484)
Capital reduction	(21,712)	-	-	-	-	21,712	-	-	-
Disposal of subsidiaries	-	-	-	(146)	-	-	(146)	-	(146)
Balance at 31 January 2018	<u>22,443</u>	<u>8,331</u>	<u>1,106</u>	<u>-</u>	<u>(2,575)</u>	<u>3,602</u>	<u>32,907</u>	<u>-</u>	<u>32,907</u>
12 Months Period Ended 31 January 2017									
Balance at 1 February 2016	39,953	8,815	1,106	146	(2,575)	(18,199)	29,246	-	29,246
Total comprehensive loss for the year	-	-	-	-	-	(993)	(993)	-	(993)
Issuance of shares pursuant to private placement	3,995	-	-	-	-	-	3,995	-	3,995
Balance at 31 January 2017	<u>43,948</u>	<u>8,815</u>	<u>1,106</u>	<u>146</u>	<u>(2,575)</u>	<u>(19,192)</u>	<u>32,248</u>	<u>-</u>	<u>32,248</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 2017 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2018**

	(Unaudited) 12 Months Ended 31-Jan-18 RM'000	(Audited) 12 Months Ended 31-Jan-17 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	1,896	(398)
Adjustments for :-		
Depreciation	411	362
Impairment loss for other investments	-	10
Interest expense	-	57
Inventories written down	-	245
Loss on disposal of other investments	-	188
Loss on foreign exchange - unrealised	-	28
Reversal of impairment loss on receivables	-	(7)
Share of result of an associated company	100	37
Interest income	(48)	(196)
Operating profit before working capital changes	2,359	326
(Increase)/decrease in amount due from contract customer	(30)	
(Increase)/decrease in inventories	1,186	1,632
Decrease/(Increase) in receivables	(3,493)	(26,738)
Increase/(decrease) in payables	(368)	(197)
Cash used in operations	(346)	(24,977)
Interest paid	-	(57)
Interest received	48	196
Tax paid	(159)	(70)
Net cash used in operating activities	(457)	(24,908)
Cash Flows From Investing Activities		
Advances (to)/from associated company	443	430
Net cash outflow from deemed disposal of a subsidiary company	(940)	-
Investment in other investment	-	(165)
Proceeds from disposal of subsidiary companies	950	-
Purchase of property, plant and equipment	(27)	(364)
Proceeds from disposal of other investments	35	1,017
Net cash generated from investing activities	461	918
Cash Flows From Financing Activities		
Proceeds from issuance of share capital	207	3,995
Expenses incurred in relation to Rights Issue with Warrants	(484)	-
(Repayment to)/Advance from director	60	15
Repayment of hire purchase payables	(246)	(3)
Net cash (used in)/generated from financing activities	(463)	4,007
NET DECREASE IN CASH AND CASH EQUIVALENTS	(459)	(19,983)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,649	21,632
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,190	1,649
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,190	937
Fixed deposits with a licensed bank	-	712
	1,190	1,649

(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 2017 and the accompanying explanatory notes attached to this interim financial statements)

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
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 2017.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 January 2017 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 JANUARY 2018
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.

	<u>Current Quarter</u>			<u>Year-To-Date</u>		
	<u>31-Jan-18</u>	<u>31-Jan-17</u>	<u>Change</u>	<u>31-Jan-18</u>	<u>31-Jan-17</u>	<u>Change</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Segment Revenue						
Trading of building materials	537	1,035	-48%	4,744	5,469	-13%
Trading of aluminium and machine parts	2,958	2,723	9%	10,756	13,916	-23%
Project management services	4,000	7,406	-46%	7,086	27,776	-74%
	<u>7,495</u>	<u>11,164</u>		<u>22,586</u>	<u>47,161</u>	
Elimination of inter-segment revenue	161	(194)		(1,058)	(1,988)	
Total revenue	<u>7,656</u>	<u>10,970</u>	-30%	<u>21,528</u>	<u>45,173</u>	-52%
Segment Results						
Trading of building materials	(62)	(56)	-11%	(32)	95	-134%
Trading of aluminium and machine parts	(999)	(753)	-33%	(2,015)	(1,110)	-82%
Investment holdings & others	1,659	(254)	753%	700	(526)	233%
Project management services	3,034	1,072	183%	3,143	2,502	26%
Management services	-	(800)	100%	-	(1,330)	100%
	<u>3,632</u>	<u>(791)</u>		<u>1,796</u>	<u>(369)</u>	
Results from operations	3,632	(791)		1,796	(369)	
Share of results in associated company	(33)	(150)		100	(37)	
Finance cost	-	-		-	(1)	
Profit/(Loss) before taxation	<u>3,599</u>	<u>(941)</u>	482%	<u>1,896</u>	<u>(407)</u>	566%

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018

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

During the year, the business of trading of aluminium and machine parts was discontinued as a result of the disposal of a subsidiary company. The segment information for the continued and discontinued operations are as follows:

	<u>Current Quarter</u>		<u>Year-To-Date</u>	
	<u>Continued Operations</u> RM'000	<u>Discontinued Operations</u> RM'000	<u>Continued Operations</u> RM'000	<u>Discontinued Operations</u> RM'000
Segment Revenue				
Trading of building materials	537	-	4,744	-
Trading of aluminium and machine parts	85	2,873	996	9,760
Project management services	4,000	-	7,086	-
	<u>4,622</u>	<u>2,873</u>	<u>12,826</u>	<u>9,760</u>
Elimination of inter-segment revenue	(17)	178	(532)	(526)
Total revenue	<u>4,605</u>	<u>3,051</u>	<u>12,294</u>	<u>9,234</u>
Segment Results				
Trading of building materials	(62)	-	(32)	-
Trading of aluminium and machine parts	(129)	(870)	(417)	(1,598)
Investment holdings & others	1,694	(35)	821	(121)
Project management services	3,034	-	3,143	-
Management services	-	-	-	-
Results from operations	<u>4,537</u>	<u>(905)</u>	<u>3,515</u>	<u>(1,719)</u>
Share of results in associated company	-	(33)	-	100
Finance cost	-	-	-	-
Profit/(Loss) before taxation	<u>4,537</u>	<u>(938)</u>	<u>3,515</u>	<u>(1,619)</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.

A11. Changes in the Composition of the Group

Other than as disclosed below, there were no changes in the composition of the Group for the current quarter under review.

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

On 25 January 2018, the Company announced that it had entered into a Share Sale Agreement for the disposal of 8,500,000 ordinary shares representing 100% equity interest held in Flonic Engineering Sdn Bhd ("FESB") to Low Chee Seng and Sim Jinq Feei at a total cash consideration of RM900,000 ("the FESB Disposal"). On 7 March 2018, the Company announced that the FESB Disposal was completed on 7 March 2018 and FESB ceased to be a wholly-owned subsidiary of the Company.

On 7 March 2018, the Company announced that it had entered into a Share Sale Agreement for the disposal of 3,000,000 ordinary shares representing 100% equity interest held in Flonic Sdn Bhd ("FSB") for a total consideration of RM50,000 to Low Chee Seng (2,970,000 ordinary shares for consideration of RM49,500) and Sim Jinq Feei (30,000 ordinary shares for a consideration of RM500 ("the FSB Disposal"). The FSB Disposal was completed on 7 March 2018 and consequent thereto, FSB ceased to be a wholly-owned subsidiary of the Company.

A12. Contingent Liabilities

As at 31 January 2018, the Group has no outstanding contingent liabilities.

A13. Capital Commitments

As at 31 January 2018, the Group did not have any capital commitments.

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B1. Review of Performance

	Current Quarter Ended 31-Jan-18 RM'000	Comparative Quarter Ended 31-Jan-17 RM'000	Change %	12 Months Cumulative To Date 31-Jan-18 RM'000	Comparative 12 Months Cumulative To Date 31-Jan-17 RM'000	Change %
Revenue	7,656	10,970	-30%	21,528	45,173	-52%
Cost of sales	(4,325)	(9,755)	56%	(16,833)	(41,648)	60%
Gross profit	3,331	1,215		4,695	3,525	
Other operating income	1,431	(27)	5400%	1,467	560	162%
Operating expenses	(1,131)	(1,979)	43%	(4,366)	(4,454)	2%
Profit/(Loss) from operations	3,631	(791)		1,796	(369)	
Share of result in associated company	(32)	(149)	-79%	100	(37)	370%
Finance costs	-	(1)	100%	-	(1)	100%
Profit/(Loss) before taxation	3,599	(941)		1,896	(407)	

The Group registered a lower revenue of RM7.656 million and RM21.528 million for the current quarter and year to date as compared to RM10.97 million and RM45.173 million for the preceding year corresponding quarter and period to date respectively.

The decrease in revenue for the current quarter and year to date was largely due to the decrease in revenue from project management after the completion of the Melaka project with no additional revenue generated. Besides, the decrease in sales for the trading of building materials had also caused the decrease in the revenue of the Group.

Despite of the decrease in revenue for the current quarter and year to date, the Group registered a profit before taxation of RM3.599 million and RM1.896 million for the current quarter and year to date as compared to a loss before taxation of RM0.941 million and RM0.407 million for the preceding year corresponding quarter and year to date respectively.

The profit before taxation was mainly attributable to the project management services rendered to a client for the initial planning and securing all necessary approvals from relevant authorities to kick start the development of a housing project, as well as gain from disposal of subsidiary companies.

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

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

	Current quarter ended 31-Jan-18 RM'000	Preceding quarter ended 31-Jan-17 RM'000
Turnover	7,656 =====	2,034 =====
Profit/(Loss) before taxation	3,599 =====	(831) =====

Turnover for current quarter was RM7.656 million as compared to immediate preceding quarter of RM2.034 million. There was an increase of RM5.622 million in turnover for the current quarter as compared to immediate preceding quarter. The increase in turnover was mainly due to the increase in project management services.

The Group recorded a profit before taxation of RM3.599 million on a turnover of RM7.656 million for the current quarter under review compared to a loss before taxation of RM0.831 million on a turnover of RM2.034 million for the immediate preceding quarter.

B3. Commentary on Prospects

The Company is in the midst of completing its fund raising exercise through the Proposed Rights Issue with Warrants. Thereafter, the Group is expected to utilise the proceeds from the Proposed Rights Issue with Warrants for working capital and business expansion purposes.

In this respect, the building materials division shall expand its workforce for its plan to penetrate into different type of building materials to cater for affordable housing scheme. At the same time, the business expansion shall include acquisition of business that can contribute revenue to the Group.

In the meantime, the Group shall continue to secure more project management and construction projects to improve the overall performance of the Group.

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.

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B6. Corporate Proposals

(a) Status of Corporate Proposals

On 26 January 2017, SC Estate Builder Berhad (formerly known as Flonic Hi-Tec Bhd) ("SEBB") announced that the Company proposed to undertake the following:-

- i. a par value reduction via the cancellation of RM0.04 of the par value of every existing ordinary share of RM0.05 each in the issued and paid-up share capital of SEBB pursuant to Section 64 of the Companies Act 1965 ("Proposed Par Value Reduction");
- ii. a renounceable rights issue of up to 6,394,619,360 Rights Shares on the basis of 5 Rights Shares for every 1 SEBB Share held, together with up to 2,557,847,744 Warrants C on the basis of 2 Warrants C for every 5 Rights Shares subscribed for, based on an entitlement date to be determined later upon the completion of the Proposed Par Value Reduction ("Proposed Rights Issue with Warrants");
- iii. an exemption to Takzim Empayar Sdn Bhd, SC Estate World Sdn Bhd and the persons acting in concert from the obligation to undertake a mandatory take-over offer for all the remaining SEBB Shares not already held by them pursuant to the Proposed Rights Issue with Warrants under subparagraph 4.08(1) of the rules on Take-overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia ("Proposed Exemption");
- iv. a diversification of its existing principal activities to include construction and its related business ("Proposed Diversification");
- v. an increase in authorised share capital of SEBB from RM100,000,000 comprising 2,000,000,000 ordinary shares of RM0.05 each in SEBB to RM200,000,000 comprising 20,000,000,000 ordinary shares of RM0.01 each in SEBB ("Proposed Increase In Authorised Share Capital"); and
- vi. an amendment to the Memorandum of Association of SEBB ("Proposed Amendment").

On 10 March 2017, the Company, after taking into consideration the relevant provisions under the Companies Acts 2016 ("CA 2016") which had come into effect on 31 January 2017 including amongst others, the abolishment of par value regime and consequently the concept of authorised share capital, revised the earlier announced proposals to the following:

- i. A capital reduction exercise pursuant to Section 115(a) read with Section 116 of the CA 2016, by reducing and cancelling the issued share capital of SEBB which is lost or unrepresented by available assets to the extent of RM21,711,529 as at 31 October 2016 ("Proposed Capital Reduction");

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

- ii. A renounceable rights issue of up to 6,394,619,360 Rights Shares on the basis of 5 Rights Shares for every 1 SEBB Share held, together with up to 2,557,847,744 Warrants C on the basis of 2 Warrants C for every 5 Rights Shares subscribed for, based on an entitlement date to be determined later upon the completion of the Proposed Capital Reduction ("Proposed Rights Issue with Warrants");
- iii. An exemption to Takzim Empayar Sdn Bhd ("TESB"), SC Estate World Sdn Bhd ("SEWSB") and the Persons Acting In Concert ("PACs") from the obligation to undertake a mandatory take-over offer for all the remaining SEBB Shares not already held by them pursuant to the Proposed Rights Issue with Warrants under subparagraph 4.08(1) of the Rules on Take-overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia ("Proposed Exemption"); and
- iv. A diversification of its existing principal activities to include construction and its related business ("Proposed Diversification")

(Collectively referred to as the "Proposals")

On 13 March 2017, the Company announced that the applications in relation to the Proposals had been submitted to Bursa Malaysia Securities Berhad (Bursa Securities").

On 1 June 2017, the Company announced that Bursa Securities, via its letter dated 1 June 2017, has resolved to approve the following:-

- i. admission to the Official List and the initial listing and quotation of up to 2,557,847,744 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants;
- ii. listing of up to 6,394,619,360 Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- iii. listing of up to 2,557,847,744 new SEBB Shares to be issued pursuant to the exercise of Warrants C;
- iv. listing of up to 475,238,305 additional Warrants B to be issued arising from the adjustments in accordance with provisions of the Deed Poll for Warrants B, pursuant to the Proposed Rights Issue with Warrants ("Additional Warrants B"); and
- v. listing of up to 475,238,305 new SEBB Shares to be issued pursuant to the exercise of the Additional Warrants B.

The approval by Bursa Securities for the Proposed Rights Issue with Warrants is subject to the following conditions:-

- i. SEBB and RHBIB must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue with Warrants.
- ii. SEBB and RHBIB to inform Bursa Securities upon the completion of the Proposed Rights Issue with Warrants.

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

- iii. SEBB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Burs Securities' approval once the Proposed Rights Issue with Warrants is completed.
- iv. SEBB to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable.

On 26 July 2017, the Company announced that all of the resolutions of the Proposals tabled at the Extraordinary General Meeting held on 26 July 2017 were approved by the shareholders.

On 27 July 2017, the Company announced that further to approval being obtained from shareholders of SEBB for the Proposals at the extraordinary general meeting of the Company held on 26 July 2017, SEBB had on 27 July 2017 filed a petition to the High Court of Malaya in Kuala Lumpur ("High Court") to obtain the confirmation of the High Court for the Proposed Capital Reduction pursuant to Section 115(a) read together with Section 116 of the Companies Act, 2016 ("Petition"). The hearing has been scheduled on 25 September 2017.

On 24 August 2017, Securities Commission had approved the application for the Proposed Exemption.

On 25 September 2017, the High Court of Malaya at Kuala Lumpur had granted an order confirming the Capital Reduction pursuant to Section 115(a) read together with Section 116 of the Companies Act, 2016 ("Court Order").

On 29 September 2017, the sealed copy of the Court Order obtained from the High Court of Malaya at Kuala Lumpur confirming the Capital Reduction was lodged with the Companies Commission of Malaysia, marking the effective date and completion of the Capital Reduction.

On 24 January 2018, an application was submitted to the Securities Commission to seek its approval for an extension of time of up to 31 May 2018 to complete the implementation of the Rights Issues with Warrants of which the Exemption relates to.

Thereafter on 6 February 2018, Securities Commission had approved an extension of time of up to 31 May 2018 for the implementation of the Rights Issue with Warrants to which the Exemption granted on 24 August 2017 relates.

The corporate exercise is expected to be completed in May 2018.

B7. Off Balance Sheet Financial Instruments

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

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B8. Material Litigation

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

B9. Earnings/(Loss) per Share

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

	Quarter ended		Year to date	
	31-Jan-18	31-Jan-17	31-Jan-18	31-Jan-17
Net earnings/(loss) for the financial period (RM'000)	2,884	(1,198)	1,082	(1,002)
Weighted average number of ordinary shares in issue ('000)	883,078	878,965	883,078	878,965
Basic earnings/(loss) per ordinary share (sen)	0.33	(0.14)	0.12	(0.11)

B10. Realised and Unrealised Accumulated Losses

	As at	As at
	31-Jan-18	31-Jan-17
	RM'000	RM'000
Total accumulated losses of the Group		
- Realised	(17,553)	(17,175)
- Unrealised	-	-
	<u>(17,553)</u>	<u>(17,175)</u>
Total share of accumulated losses from associated companies		
- Realised	-	(38)
- Unrealised	-	-
	<u>(17,553)</u>	<u>(17,213)</u>
Less: Consolidated adjustments	(557)	(1,979)
Add: Capital reduction	21,712	-
Total accumulated profit/(losses) as per Statements of Financial Position	<u>3,602</u>	<u>(19,192)</u>

SC ESTATE BUILDER BERHAD
(Company No : 655665-T)
Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 JANUARY 2018
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-Jan-18 RM'000	Current year to date 31-Jan-18 RM'000
Depreciation & amortisation	239	411
Interest income	(27)	(48)

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

