

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 31 JULY 2019

	Current Quarter Ended 31-Jul-19 RM'000	Comparative Quarter Ended 31-Jul-18 RM'000	6 Months Cumulative To Date 31-Jul-19 RM'000	Comparative 6 Months Cumulative To Date 31-Jul-18 RM'000
Revenue	455	3,548	970	4,405
Cost of sales	(429)	(3,346)	(912)	(4,154)
Gross profit	<u>26</u>	<u>202</u>	<u>58</u>	<u>251</u>
Other operating income	5	1	6	2
Operating expenses	(514)	(486)	(1,014)	(1,078)
Loss from operations	<u>(483)</u>	<u>(283)</u>	<u>(950)</u>	<u>(825)</u>
Finance costs	-	-	-	-
Loss before taxation	<u>(483)</u>	<u>(283)</u>	<u>(950)</u>	<u>(825)</u>
Income Tax	-	-	-	-
Loss for the period / Total comprehensive loss	<u>(483)</u>	<u>(283)</u>	<u>(950)</u>	<u>(825)</u>
Loss for the period attributable to:				
Owners of the Parent	(483)	(283)	(950)	(825)
Non-controlling Interest	-	-	-	-
	<u>(483)</u>	<u>(283)</u>	<u>(950)</u>	<u>(825)</u>
Total comprehensive loss attributable to:				
Owners of the Parent	(483)	(283)	(950)	(825)
Non-controlling Interest	-	-	-	-
	<u>(483)</u>	<u>(283)</u>	<u>(950)</u>	<u>(825)</u>
Basic loss per ordinary share (sen)	(0.05)	(0.03)	(0.11)	(0.09)

(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 2019 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2019**

	(Unaudited) As at 31-Jul-19 RM'000	(Audited) As at 31-Jan-19 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	324	365
Current Assets		
Trade receivables	22,162	23,839
Other receivables, deposits and prepayment	13,949	14,120
Cash and bank balances	451	1,230
	<u>36,562</u>	<u>39,189</u>
TOTAL ASSETS	<u>36,886</u>	<u>39,554</u>
EQUITY AND LIABILITIES		
Share capital	31,276	31,276
Warrants reserve	518	518
Retained earnings	2,020	2,970
Total equity attributable to the owners of the Company	<u>33,814</u>	<u>34,764</u>
Total Equity	<u>33,814</u>	<u>34,764</u>
Non-current liabilities		
Deferred tax liabilities	10	10
Current Liabilities		
Trade payables	100	1,350
Other payables, provisions and accruals	1,388	410
Amount owing to contract customer	15	9
Amount due to directors	82	1,117
Tax liabilities	1,477	1,894
	<u>3,062</u>	<u>4,780</u>
Total Liabilities	<u>3,072</u>	<u>4,790</u>
TOTAL EQUITY AND LIABILITIES	<u>36,886</u>	<u>39,554</u>
Net assets per share attributable to equity holders of the Company - basic (RM)	0.038	0.039

(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 2019 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 PERIOD ENDED 31 JULY 2019**

	Attributable to Owners of the Company				Accumulated profit/ losses	Attributable to owners of the Company	Non- controlling interest	Total equity
	Share capital	Share premium	Warrants reserve	Merger deficit				
<u>6 Months Period Ended 31 July 2019</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 February 2019	31,276	-	518	-	2,970	34,764	-	34,764
Total comprehensive loss for the period	-	-	-	-	(950)	(950)	-	(950)
Balance at 31 July 2019	<u>31,276</u>	<u>-</u>	<u>518</u>	<u>-</u>	<u>2,020</u>	<u>33,814</u>	<u>-</u>	<u>33,814</u>
<u>6 Months Period Ended 31 July 2018</u>								
Balance at 1 February 2018	22,461	8,815	518	(2,575)	4,172	33,391	-	33,391
Total comprehensive loss for the period	-	-	-	-	(825)	(825)	-	(825)
Balance at 31 July 2018	<u>22,461</u>	<u>8,815</u>	<u>518</u>	<u>(2,575)</u>	<u>3,347</u>	<u>32,566</u>	<u>-</u>	<u>32,566</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 2019 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2019**

	6 Months Ended 31-Jul-19 RM'000	6 Months Ended 31-Jul-18 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(950)	(825)
Adjustments for :-		
Depreciation	44	178
Interest income	(6)	(2)
Operating loss before working capital changes	(912)	(649)
Decrease/(Increase) in receivables	267	1,724
Increase/(decrease) in payables	34	(1,975)
Cash used in operations	(611)	(900)
Interest received	6	2
Tax paid	(171)	(112)
Net cash used in operating activities	(776)	(1,010)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3)	(194)
Net cash used in investing activities	(3)	(194)
Cash Flows From Financing Activities		
Advance from director	-	49
Net cash generated from financing activities	-	49
NET DECREASE IN CASH AND CASH EQUIVALENTS	(779)	(1,155)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	1,230	1,190
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	451	35
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	451	35
	451	35

(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 2019 and the accompanying explanatory notes attached to this interim financial statements)

NOTES TO THE QUARTERLY REPORT – 31 JULY 2019
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 2019.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 January 2019 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 JULY 2019
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.

	Current Quarter			Year-To-Date		
	31-Jul-19 RM'000	31-Jul-18 RM'000	Change %	31-Jul-19 RM'000	31-Jul-18 RM'000	Change %
Segment Revenue						
Construction/Construction services	441	3,091	-601%	882	3,779	-77%
Trading of building materials	14	457	-97%	88	626	-86%
Trading of aluminium and machine parts	-	-		-	-	
	<u>455</u>	<u>3,548</u>		<u>970</u>	<u>4,405</u>	
Elimination of inter-segment revenue	-	-		-	-	
Total revenue	<u>455</u>	<u>3,548</u>	-87%	<u>970</u>	<u>4,405</u>	-78%
Segment Results						
Construction/Construction services	(176)	(101)	-74%	(511)	(421)	21%
Trading of building materials	(28)	(17)	-65%	(99)	(82)	21%
Trading of aluminium and machine parts	-	(74)	100%	-	(161)	100%
Investment holdings & others	<u>(279)</u>	<u>(91)</u>	<u>-207%</u>	<u>(340)</u>	<u>(161)</u>	<u>-111%</u>
Results from operations	(483)	(283)		(950)	(825)	
Finance cost	-	-		-	-	
Loss before taxation	<u>(483)</u>	<u>(283)</u>	-71%	<u>(950)</u>	<u>(825)</u>	-15%

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

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

A12. Contingent Liabilities

As at 31 July 2019, the Group has no outstanding contingent liabilities.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2019
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

A13. Capital Commitments

As at 31 July 2019, the Group did not have any capital commitments.

B1. Review of Performance

Profit and Loss

	Current Quarter Ended 31-Jul-19 RM'000	Comparative Quarter Ended 31-Jul-18 RM'000	Change %	6 Months Cumulative To Date 31-Jul-19 RM'000	Comparative 6 Months Cumulative To Date 31-Jul-18 RM'000	Change %
Revenue	455	3,548	-87.2%	970	4,405	-78%
Cost of sales	(429)	(3,346)	87%	(912)	(4,154)	78%
Gross profit	<u>26</u>	<u>202</u>		<u>58</u>	<u>251</u>	
Other operating income	5	1	400%	6	2	200%
Operating expenses	(514)	(486)	-6%	(1,014)	(1,078)	6%
Loss from operations	<u>(483)</u>	<u>(283)</u>		<u>(950)</u>	<u>(825)</u>	
Finance costs	-	-		-	-	
Loss before taxation	<u><u>(483)</u></u>	<u><u>(283)</u></u>	71%	<u><u>(950)</u></u>	<u><u>(825)</u></u>	15%

The Group registered a lower revenue of RM0.455 million for the current quarter as compared to RM3.458 million for the preceding year corresponding quarter. As for the 6-month period to date, the Group registered a lower revenue of RM0.97 million as compared to RM4.405 million for the preceding year corresponding 6-month period to date.

The decrease in revenue for the current quarter and the 6-month period to date was mainly due to the slow work progress in the construction works as well as a drop in the sales of building materials as compared to the preceding year corresponding quarter and 6-month period to date.

In consequent thereto, the Group registered a slightly higher loss before taxation of RM0.483 million and RM0.95 million for the current quarter and 6-month period to date as compared to a loss before taxation of RM0.283 million and RM0.825 million for the preceding year corresponding quarter and 6-month period to date respectively.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2019
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

Financial Position

As at the current 2nd quarter ended 31 July 2019, the trade receivables were reduced slightly by approximately 7% to RM22.162 million from RM23.839 million as at the previous financial year ended 31 January 2019 as a result of debt off-setting settlement.

As at 31 July 2019, the net assets of the Group stood at RM33.814 million which was equivalent to RM0.038 per share as compared to RM34.764 million as at the previous financial year ended 31 January 2019. The reduction in net assets was due to the loss of RM0.95 million recorded for the 6-month period to date.

Cash Flow

The cash position of the Group for the current quarter under review had improved slightly to RM0.451 million as compared to RM0.35 million for the preceding year corresponding quarter ended 31 July 2018. The increase in cash and bank balances was mainly due to the decrease in net cash used in operating activities.

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

	Current quarter 31-Jul-19 RM'000	Preceding quarter 30-Apr-19 RM'000
Revenue	455	515
Loss before taxation	(483)	(467)

Revenue of RM0.455 million was recorded for current quarter as compared to immediate preceding quarter of RM0.515 million. A minor decrease of RM0.06 million in turnover was recorded for the current quarter as compared to immediate preceding quarter. The decrease was mainly due to the decrease in the sales of building materials.

The Group recorded a loss before taxation of RM0.483 million on a revenue of RM0.455 million for the current quarter under review as compared to a loss before taxation of RM0.467 million on a revenue of RM0.515 million for the immediate preceding quarter.

B3. Commentary on Prospects

The Group is focusing its efforts to complete the existing construction contract in hand and will continue to secure more contract to replenish the Group's order book as well as to improve the future performance of the Group. In addition, the Group is exploring other business opportunities including acquisition of company that is in the business of construction and its related industry and venturing into the business of Industrilised Building System (IBS) that would contribute positively to the Group.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2019
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

Besides, the Group will also strengthening its manpower with relevant expertise in construction industry to tender construction jobs and to submit proposals to government for affordable housing projects and other construction related projects.

Despite the prevailing challenges faced by the Group in the construction industry, the Group is optimistic in the outlook for the Group in the coming years.

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 was no disposal of unquoted investments or properties during the current quarter under review.

B6. Corporate Proposals

There was no corporate proposal announced during the current quarter under review.

B7. Off Balance Sheet Financial Instruments

There was 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. 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	
	<u>31-Jul-19</u>	<u>31-Jul-18</u>	<u>31-Jul-19</u>	<u>31-Jul-18</u>
Net loss for the financial period (RM'000)	(483)	(283)	(950)	(825)
Weighted average number of ordinary shares in issue ('000)	883,078	883,078	883,078	883,078
Basic loss per ordinary share (sen)	(0.05)	(0.03)	(0.11)	(0.09)

NOTES TO THE QUARTERLY REPORT – 31 JULY 2019
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B10. Realised and Unrealised Profits or Losses

	As at 31-Jul-19 RM'000	As at 31-Jul-18 RM'000
Total accumulated losses of the Group		
- Realised	2,020	3,347
- Unrealised	-	-
	<u>2,020</u>	<u>3,347</u>

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

	Current quarter ended 31-Jul-19 RM'000	Current year to date 31-Jul-19 RM'000
Depreciation	22	44
Interest income	(5)	(6)

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