

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED 31 OCTOBER 2020

	Current Quarter Ended 31-Oct-20 RM'000	Comparative Quarter Ended 31-Oct-19 RM'000	3 Months Cumulative To Date 31-Oct-20 RM'000	Comparative 3 Months Cumulative To Date 31-Oct-19 RM'000
Revenue	530	517	530	517
Cost of sales	(500)	(487)	(500)	(487)
Gross profit	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Other operating income	1	1	1	1
Operating expenses	(310)	(381)	(310)	(381)
Loss from operations	<u>(279)</u>	<u>(350)</u>	<u>(279)</u>	<u>(350)</u>
Finance costs	(4)	-	(4)	-
Loss before taxation	<u>(283)</u>	<u>(350)</u>	<u>(283)</u>	<u>(350)</u>
Income Tax	-	-	-	-
Loss for the period/ Total comprehensive loss	<u>(283)</u>	<u>(350)</u>	<u>(283)</u>	<u>(350)</u>
Loss for the period attributable to:				
Owners of the Parent	(283)	(350)	(283)	(350)
Non-controlling Interest	-	-	-	-
	<u>(283)</u>	<u>(350)</u>	<u>(283)</u>	<u>(350)</u>
Total comprehensive loss attributable to:				
Owners of the Parent	(283)	(350)	(283)	(350)
Non-controlling Interest	-	-	-	-
	<u>(283)</u>	<u>(350)</u>	<u>(283)</u>	<u>(350)</u>
Basic loss per ordinary share (sen)	(0.03)	(0.04)	(0.03)	(0.04)

(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 July 2020 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020**

	(Unaudited) As at 31-Oct-20 RM'000	(Audited) As at 31-Jul-20 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	22,824	23,022
Right-of-use asset	121	-
Current Assets		
Trade receivables	14,597	14,074
Other receivables, deposits and prepayment	3,833	3,833
Construction work in progress	-	-
Amount owing by contract customer	-	-
Cash and bank balances	192	171
	<u>18,622</u>	<u>18,078</u>
TOTAL ASSETS	<u>41,567</u>	<u>41,100</u>
EQUITY AND LIABILITIES		
Share capital	31,277	31,277
Warrants reserve	-	-
Retained earnings	2,456	2,739
Total equity attributable to the owners of the Company	<u>33,733</u>	<u>34,016</u>
Total Equity	<u>33,733</u>	<u>34,016</u>
Non-current liabilities		
Lease liability	51	46
Other creditor	883	883
Deferred tax liabilities	3	3
	<u>937</u>	<u>932</u>
Current Liabilities		
Trade payables	4,386	3,885
Other payables, provisions and accruals	1,152	830
Amount owing to contract customer	20	20
Amount due to directors	122	72
Lease liability	83	139
Tax liabilities	1,134	1,206
	<u>6,897</u>	<u>6,152</u>
Total Liabilities	<u>7,834</u>	<u>7,084</u>
TOTAL EQUITY AND LIABILITIES	<u>41,567</u>	<u>41,100</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 July 2020 and the accompanying explanatory notes attached to this interim financial statements)

SC ESTATE BUILDER BERHAD [Reg. No. 200401017162 (655665-T)]
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2020**

	<u>Attributable to Owners of the Company</u>					
	<u>Non-Distributable</u>			Attributable to owners of the Company	Non- controlling interest	Total equity
	Share capital	Warrants reserve	Accumulated profit/ losses			
<u>3 Months Period Ended 31 October 2020</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 August 2020	31,277	-	2,739	34,016	-	34,016
Total comprehensive loss for the period	-	-	(283)	(283)	-	(283)
Balance at 31 October 2020	<u>31,277</u>	<u>-</u>	<u>2,456</u>	<u>33,733</u>	<u>-</u>	<u>33,733</u>
<u>3 Months Period Ended 31 October 2019</u>						
Balance at 1 August 2019	31,276	518	2,020	33,814	-	33,814
Total comprehensive profit for the period	-	-	(350)	(350)	-	(350)
Balance at 31 October 2019	<u>31,276</u>	<u>518</u>	<u>1,670</u>	<u>33,464</u>	<u>-</u>	<u>33,464</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 July 2020 and the accompanying explanatory notes attached to this interim financial statements)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

	3 Months Ended 31-Oct-20 RM'000	3 Months Ended 31-Oct-19 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(283)	(350)
Adjustments for :-		
Depreciation	78	22
Interest income	(1)	(1)
Operating loss before working capital changes	(206)	(329)
Decrease/ (Increase) in receivables	(524)	(598)
Increase/ (Decrease) in payables	823	539
<i>Cash generated from/ (used in) operations</i>	93	(388)
Interest paid	4	-
Interest received	1	1
Tax paid	(72)	-
Net cash generated from/ (used in) operating activities	26	(387)
Cash Flows From Financing Activities		
(Repayment to)/ Advance from director	50	-
Repayment of lease liabilities	(55)	-
Net cash used in financing activities	(5)	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	21	(387)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	171	451
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	192	64
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	192	64
	192	64

(The unaudited condensed consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying explanatory notes attached to this interim financial statements)

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NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
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 July 2020.

A2. Auditors’ Report

The auditors’ report on the audited annual financial statements for the financial year ended 31 July 2020 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.

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.

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NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

	<u>Current Quarter</u>			<u>Year-To-Date</u>		
	<u>31-Oct-20</u> <u>RM'000</u>	<u>31-Oct-19</u> <u>RM'000</u>	<u>Change</u> <u>%</u>	<u>31-Oct-20</u> <u>RM'000</u>	<u>31-Oct-19</u> <u>RM'000</u>	<u>Change</u> <u>%</u>
Segment Revenue						
Construction/ Construction services	530	505	5%	530	505	5%
Trading of building materials	-	12	-100%	-	12	-100%
	<u>530</u>	<u>517</u>		<u>530</u>	<u>517</u>	
Elimination of inter-segment revenue	-	-		-	-	
Total revenue	<u>530</u>	<u>517</u>	3%	<u>530</u>	<u>517</u>	3%
Segment Results						
Construction/ Construction services	(200)	(536)	63%	(200)	(536)	-63%
Trading of building materials	(39)	(38)	-3%	(39)	(38)	3%
Investment holdings & others	<u>(40)</u>	<u>224</u>	118%	<u>(40)</u>	<u>224</u>	118%
Results from operations	(279)	(350)		(279)	(350)	
Finance cost	<u>(4)</u>	<u>-</u>		<u>(4)</u>	<u>-</u>	
Loss before taxation	<u>(283)</u>	<u>(350)</u>	19%	<u>(283)</u>	<u>(350)</u>	19%

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 the end of the current quarter, the Group has no outstanding contingent liabilities.

A13. Capital Commitments

As at the end of the current quarter, the Group did not have any capital commitments.

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NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B1. Review of Performance

Profit and Loss

	Current Quarter Ended 31-Oct-20 RM'000	Comparative Quarter Ended 31-Oct-19 RM'000	Change %	3 Months Cumulative To Date 31-Oct-20 RM'000	Comparative 3 Months Cumulative To Date 31-Oct-19 RM'000	Change %
Revenue	530	517	2.5%	530	517	3%
Cost of sales	(500)	(487)	-3%	(500)	(487)	-3%
Gross profit	<u>30</u>	<u>30</u>		<u>30</u>	<u>30</u>	
Other operating income	1	1	0%	1	1	0%
Operating expenses	(310)	(381)	19%	(310)	(381)	19%
Loss from operations	<u>(279)</u>	<u>(350)</u>		<u>(279)</u>	<u>(350)</u>	
Finance costs	(4)	-		(4)	-	
Loss before taxation	<u>(283)</u>	<u>(350)</u>	-19%	<u>(283)</u>	<u>(350)</u>	-19%

The Group registered a slightly higher revenue of RM0.53 million for the current quarter and cumulative quarter to date as compared to RM0.517 million for the preceding year corresponding quarter and cumulative quarter to date.

The slight increase in revenue for the current quarter was insignificant and consistent with the slow work progress in the construction works as compared to the preceding year corresponding cumulative quarter.

In consequent thereto, the Group registered a loss before taxation of RM0.283 million for the current quarter and cumulative quarter to date as compared to a loss before taxation of RM0.35 million for the preceding year corresponding quarter and cumulative to date.

Financial Position

As at the current quarter, the trade receivables increased slightly to RM14.597 million from RM14.074 million as at the previous financial year ended 31 July 2020 as a result progress billings for the current quarter under review.

As at the end of the current quarter, the net assets of the Group stood at RM33.733 million which was equivalent to RM0.38 per share as compared to RM34.016 million as at the previous financial year ended 31 July 2020. The decrease in net assets was mainly due to the loss of RM0.283 million recorded for the cumulative quarter to date.

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NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

Cash Flow

The cash position of the Group for the current quarter under review increased to RM0.192 million as compared to RM0.064 million for the preceding year corresponding quarter ended 31 October 2019. The increase in cash and bank balances was mainly due to the increase in net cash generated from operating activities.

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

	Current quarter 31-Oct-20 RM'000	Preceding quarter 31-Jul-20 RM'000
Revenue	530	3,955
Loss/ Profit before taxation	(283)	453

Revenue of RM0.53 million was recorded for current quarter as compared to immediate preceding quarter of RM3.955 million. A decrease of approximately 87% in turnover was recorded for the current quarter as compared to immediate preceding quarter. The decrease was mainly due to the decrease in construction services in the current quarter.

The Group recorded a loss before taxation of RM0.283 million on a revenue of RM0.53 million for the current quarter under review as compared to a profit before taxation of RM0.453 million on a revenue of RM3.955 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, venturing into the business of Renewable Energy (RE) in solar power generation that would contribute positively to the Group.

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.

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NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

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

On 2 October 2020, the Company announced a Proposed Private Placement of 88,309,090 new ordinary shares and the listing of and quotation for the new placement shares had been approved by Bursa Securities on 21 October 2020.

On 4 November 2020, the Company announced the issue price for the Proposed Private Placement is fixed at RM0.0404 per Placement Share.

Based on the issue price of RM0.0404 per placement share, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM3.567 million and the proceeds are intended to be utilised by the Group for financing the working capital and estimated expenses.

On 13 November 2020, the Company announced that 75,000,000 placement shares were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 13 November 2020, which marks the completion of the Proposed Private Placement.

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-Oct-20</u>	<u>31-Oct-19</u>	<u>31-Oct-20</u>	<u>31-Oct-19</u>
Net loss for the financial period (RM'000)	(283)	(350)	(283)	(350)
Weighted average number of ordinary shares in issue ('000)	883,090	883,078	883,090	883,078
Basic loss per ordinary share (sen)	(0.03)	(0.04)	(0.03)	(0.04)

Incorporated in Malaysia

NOTES TO THE QUARTERLY REPORT – 31 OCTOBER 2020
A. EXPLANATORY NOTES AS PER MFRS 134 - INTERIM FINANCIAL REPORTING

B10. Realised and Unrealised Profits or Losses

	As at 31-Oct-20 RM'000	As at 31-Oct-19 RM'000
Total retained earnings of the Group		
- Realised	2,455	1,670
- Unrealised	-	-
	<u>2,455</u>	<u>1,670</u>

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

	Current quarter ended 31-Oct-20 RM'000	Current year to date 31-Oct-20 RM'000
Depreciation	78	78
Interest income	(1)	(1)

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
Chairman and Managing Director