



OUR FUTURE
@SCBUILD/0109
INVEST FOR LONG TERM

MOVING FORWARD 2020-2030
UNITED · BEYOND 2100

SC ESTATE BUILDER BERHAD Registration No. 200401017162 (655665-T)

OUR FUTURE @ SCBUILD/0109
INVEST FOR LONG TERM

MOVING FORWARD 2020-2030
UNITED · BEYOND 2100

STOCK Name/Code : SCBUILD/0109
Listed on ACE Market of Bursa Malaysia
E-9-08, Block E, Level 9, Capital 5, Oasis Square,
No. 2, Jalan PJU 1A/7A, Ara Damansara,
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

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www.scestatebuilder.com.my

SC ESTATE BUILDER BERHAD Registration No. 200401017162 (655665-T)



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ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)
INITIATIVE PROJECTS
NET ZERO CARBON EMISSION 2050

ANNUAL REPORT 2021

ANNUAL REPORT **2021**

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NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting (“**17th AGM**”) of the Company will be held on a fully virtual basis conducted entirely through live streaming and remote voting using the remote participation and voting facilities at <https://tjih.online> provided by Tricor Investor & Issuing House Service Sdn Bhd (Domain Registration No. with MYNIC – D1A282781) on Friday, 31 December 2021 at 2.00 p.m. for the transaction of the following businesses:

AGENDA

Ordinary Business

- | | |
|---|---|
| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 July 2021 together with the Reports of the Directors and Auditors thereon. | <i>[Please refer to Note 10]</i> |
| 2. To approve the Directors’ fees payable to the Non-Executive Directors of the Company of up to RM200,000/- for the financial year ending 31 July 2022. | <i>Ordinary Resolution 1</i> |
| 3. To approve an amount of up to RM198,000/- as benefits payable to the Directors of the Company from 1 January 2022, being the date after the 17th AGM to the Eighteenth Annual General Meeting of the Company in year 2022 pursuant to Section 230(1)(b) of the Companies Act 2016. | <i>Ordinary Resolution 2</i> |
| 4. To re-elect Mr. Loh Boon Ginn, the Director who retires in accordance with Clause 123 of the Company’s Constitution and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 3</i> |
| 5. To re-elect Ms. Kuay Jeanvee, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered herself for re-election. | <i>Ordinary Resolution 4</i> |
| 6. To re-elect Ms. Kuay Jen Nie, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered herself for re-election. | <i>Ordinary Resolution 5</i> |
| 7. To re-elect Mr. Chee Jun Ann, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 6</i> |
| 8. To re-elect Ms. Josipinna Binti Pudun, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered herself for re-election. | <i>Ordinary Resolution 7</i> |
| 9. To re-elect Mr. Loo Tze Ming, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered himself for re-election. | <i>Ordinary Resolution 8</i> |
| 10. To re-elect Ms. Chan Wei Xi, the Director who retires in accordance with Clause 106 of the Company’s Constitution and being eligible, has offered herself for re-election. | <i>Ordinary Resolution 9</i> |

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

11. To re-elect Mr. Soo Ting Hooi, the Director who retires in accordance with Clause 106 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 10**
12. To take note that Messrs. Ong & Wong has indicated their intention not to seek for re-appointment as Auditors of the Company. **[Please refer to Note 11]**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following as Ordinary Resolution:-

13. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **Ordinary Resolution 11**

"THAT subject to the Companies Act 2016, the Constitution of the Company, and the approvals of Bursa Malaysia Securities Berhad and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the ACE Market of Bursa Malaysia Securities Berhad AND be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC No.: 202008000730) (MAICSA 1032514)
Company Secretaries

30 November 2021

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

Notes:

Information for Shareholders/Proxies

1. The AGM of the Company will be held as a fully virtual basis conducted entirely through live streaming and remote voting using the remote participation and voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") which are available on its TIIH Online website at <https://tjih.online>. Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.
2. As guided by the Securities Commission Malaysia's Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members and proxies shall communicate with the broadcast venue of the Meeting via real time submission of typed texts through a text box within Tricor e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members and proxies may email their questions to tjih.online@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 27 December 2021 shall be eligible to attend, speak and vote at the AGM.
4. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.
7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
8. Where a member is an exempt authorised nominee which holds deposited securities in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
9. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited into the following manner, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof:-

Hardcopy form (applicable for all members)

The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Explanatory Notes to Ordinary Business:-

Audited Financial Statements for the financial year ended 31 July 2021

10. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

cont'd

11. Re-appointment of Auditors

Messrs. Ong & Wong has indicated their intention not to seek for re-appointment as Auditors of the Company at 17th AGM. The Company is taking the necessary step to appoint new auditors as soon as practicable. Further announcement will be released in due course once the proposed appointment has been confirmed.

Payment of Directors' Fees

12. The Proposed Directors' fees payable to the Non-Executive Directors of the Company for the financial year ending 31 July 2022 shall be up to RM200,000/- only, comprises the following:-

Directors' Fees	Financial Year Ending 31 July 2022
Non-Executive Directors	RM18,000/- per person per annum
Chairman of the Audit Committee	Additional RM6,000/- per annum

The Ordinary Resolution 1, if approved, will authorise the Directors' fees payable to the Non-Executive Directors for the financial year ending 31 July 2022 pursuant to Clause 105 of the Company's Constitution.

Benefits Payable to the Directors

13. Under Ordinary Resolution 2, the benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 has been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company and in accordance with the Directors' Remuneration Policy of the Company for the applicable period between 1 January 2022 to the next Annual General Meeting of the Company in year 2022. The benefits comprised solely of meeting allowance of RM2,000/- per meeting day for each Director, which will only be accorded based on actual attendance of meetings by the Directors.

Explanatory Notes to Special Business:

Authority to Issue Shares pursuant to the Companies Act 2016

14. The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 17th AGM of the Company (hereinafter referred to as the "**General Mandate**").

The Company had been granted a general mandate by its shareholders at the last Annual General Meeting of the Company held on 30 December 2020 (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Company had utilised the Previous Mandate by issuing a total of 116,000,000 new ordinary shares at the following price per share pursuant to private placement exercises:

Number of new Ordinary Shares	Price per share (RM)
80,000,000	0.050
6,000,000	0.07812
15,000,000	0.720
15,000,000	0.0675

Details of the total proceeds raised from the Private Placement and its utilisation are disclosed in this Annual Report.

The Proposed Ordinary Resolution 12 is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company for the time being.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

ADMINISTRATIVE GUIDE

Day, Date and Time	: Friday, 31 December 2021 at 2.00 p.m.
Meeting Venue	: TIIH Online meeting platform provided by Tricor Investor & Issuing House Services Sdn. Bhd. Malaysia
Meeting Platform	: TIIH Online website at https://tiih.online

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 17th AGM using the RPV facilities:

Before the 17th AGM Day

Procedure		Action
i.	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
Procedure		Action
ii.	Submit your request to attend 17th AGM remotely	<ul style="list-style-type: none"> Registration is open from 30 November 2021 until the day of 17th AGM on Friday, 31 December 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 17th AGM to ascertain their eligibility to participate the 17th AGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: (Registration) SCBUILD/0109 17TH AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an <u>e-mail to notify</u> that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 27 December 2021, the system will send you an <u>e-mail after 29 December 2021 to approve or reject</u> your registration for remote participation. <i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i>

ADMINISTRATIVE GUIDE

cont'd

On the 17th AGM Day

Procedure		Action
i.	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 17th AGM at any time from 1.00 p.m. i.e. 1 hour before the commencement of meeting at 2.00 p.m. on Friday, 31 December 2021.
ii.	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Stream Meeting) SCBUILD/0109 17TH AGM to engage in the proceedings of the 17th AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 17th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii.	Online remote voting	<ul style="list-style-type: none"> Voting session commences from 2:00 p.m. on Friday, 31 December 2021 until a time when the Chairman announces the end of the session. Select the corporate event: (Remote Voting) SCBUILD/0109 17TH AGM or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
iv.	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the 17th AGM, the Live Streaming will end.

Note to users of the RPV facilities:

- (i) Should your registration for RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616/011-40803168/011-40803169/011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ADMINISTRATIVE GUIDE

cont'd

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 27 December 2021 shall be eligible to attend, speak and vote at the 17th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the 17th AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the 17th AGM yourself, please do not submit any Proxy Form for the 17th AGM. You will not be allowed to participate in the 17th AGM together with a proxy appointed by you.
- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 17th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 29 December 2021 at 2.00 p.m.:**
 - (i) In Hard copy:

By hand or post to the registered office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 17th AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

POLL VOTING

- The voting at the 17th AGM will be conducted by poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).
- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from 2.00 p.m. on Friday, 31 December 2021 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.
- Upon completion of the voting session for the 17th AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS

- The Board recognises that the 17th AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 17th AGM, shareholders may in advance, before the 17th AGM, submit questions to the Board of Directors via Tricor’s TIIH Online website at <https://tiih.online>, by selecting “e-Services” to login, post your questions and submit it electronically no later than 2.00 p.m. on 29 December 2021. The Board of Directors will endeavour to address the questions received at the 17th AGM.

ADMINISTRATIVE GUIDE

cont'd

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the 17th AGM as the meeting will be conducted on a fully virtual basis.
- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

If you need any assistance, kindly contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

Contact persons : En Muhammad Ashraff +603 27839276/Email: Muhammad.Ashraff@my.tricorglobal.com

: Puan Titi Maryani +603 27839284/Email: Titi.Maryani@my.tricorglobal.com

CORPORATE INFORMATION

FORM OF LEGAL ENTITY

- Incorporated in Malaysia on 10 June 2004 as a private limited company
- Converted to a public limited company on 22 July 2004

REGISTRATION NUMBER

200401017162 (655665-T)

STOCK EXCHANGE LISTING

Listed on ACE Market of Bursa Malaysia Securities Berhad on 29 November 2005

Stock Name/Code : SCBUILD/0109
Sector : Construction

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC No.: 201908002648)
(MAICSA 0777689 PRACTITIONER)

Cheng Chia Ping
(SSM PC No.: 202008000730)
(MAICSA 1032514 PRACTITIONER)

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
[Registration No. 199101019611 (229948-U)]
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-6201 1120
Fax : +603-6201 3121/+603-6201 5959

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2084 9000
Fax : +603-2094 9940/+603-2095 0292

PRINCIPAL OFFICE

E-9-08, Block E, Level 9
Capital 5, Oasis Square
No. 2, Jalan PJU 1A/7A
Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7610 4388
Fax : +603-7610 4399

CORPORATE WEBSITE

www.scestatebuilder.com.my

AUDITORS

Messrs. Ong & Wong
(AF 0241)
Chartered Accountants
Unit C-20-5, 20th Floor
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2161 1000/+603-2166 3122
Fax : +603-2166 9131
(Not seeking for re-appointment as Auditors at forthcoming AGM)

PRINCIPAL BANKERS

CIMB Bank Berhad
AmBank (M) Berhad
Bank of China (Malaysia) Berhad

BOARD OF DIRECTORS AND BOARD COMMITTEES

BOARD OF DIRECTORS

Loh Boon Ginn

Ahli Mahkota Kedah
Chairman and Managing Director/
Chief Executive Officer

Kuay Jeaneve

Deputy Executive Chairperson
(Appointed w.e.f. 30 July 2021)

Chee Jun Ann

Executive Director
(Appointed w.e.f. 30 July 2021)

Kuay Jen Nie

Executive Deputy Chairperson
(Appointed w.e.f. 30 July 2021)

Loh Boon Zheng

Non-Independent Non-Executive Director
(Re-designated from Independent Non-Executive
Director to Non-Independent Non-Executive w.e.f.
30 July 2021)

Loh Shy Tyug

Non-Independent Non-Executive Director

Loh Shy Ming

Non-Independent Non-Executive Director

Josipinna Binti Pudun

Independent Non-Executive Director
(Appointed w.e.f. 30 July 2021)

Loo Tze Ming

Independent Non-Executive Director
(Appointed w.e.f. 30 July 2021)

Soo Ting Hooi

Independent Non-Executive Director
(Appointed w.e.f. 4 August 2021)

Chan Wei Xi

Independent Non-Executive Director
(Appointed w.e.f. 4 August 2021)

Ooi Bee Chin

Independent Non-Executive Director
(Resigned w.e.f. 30 July 2021)

AUDIT COMMITTEE

Chairperson

Josipinna Binti Pudun

Members

Loh Boon Zheng

Loo Tze Ming

Soo Ting Hooi

Chan Wei Xi

NOMINATION COMMITTEE

Chairperson

Josipinna Binti Pudun

Members

Loh Shy Tyug

Loo Tze Ming

Soo Ting Hooi

Chan Wei Xi

REMUNERATION COMMITTEE

Chairperson

Josipinna Binti Pudun

Members

Loh Shy Tyug

Loo Tze Ming

Soo Ting Hooi

Chan Wei Xi

RISK MANAGEMENT COMMITTEE

Chairperson

Josipinna Binti Pudun

Members

Loh Shy Tyug

Loo Tze Ming

Soo Ting Hooi

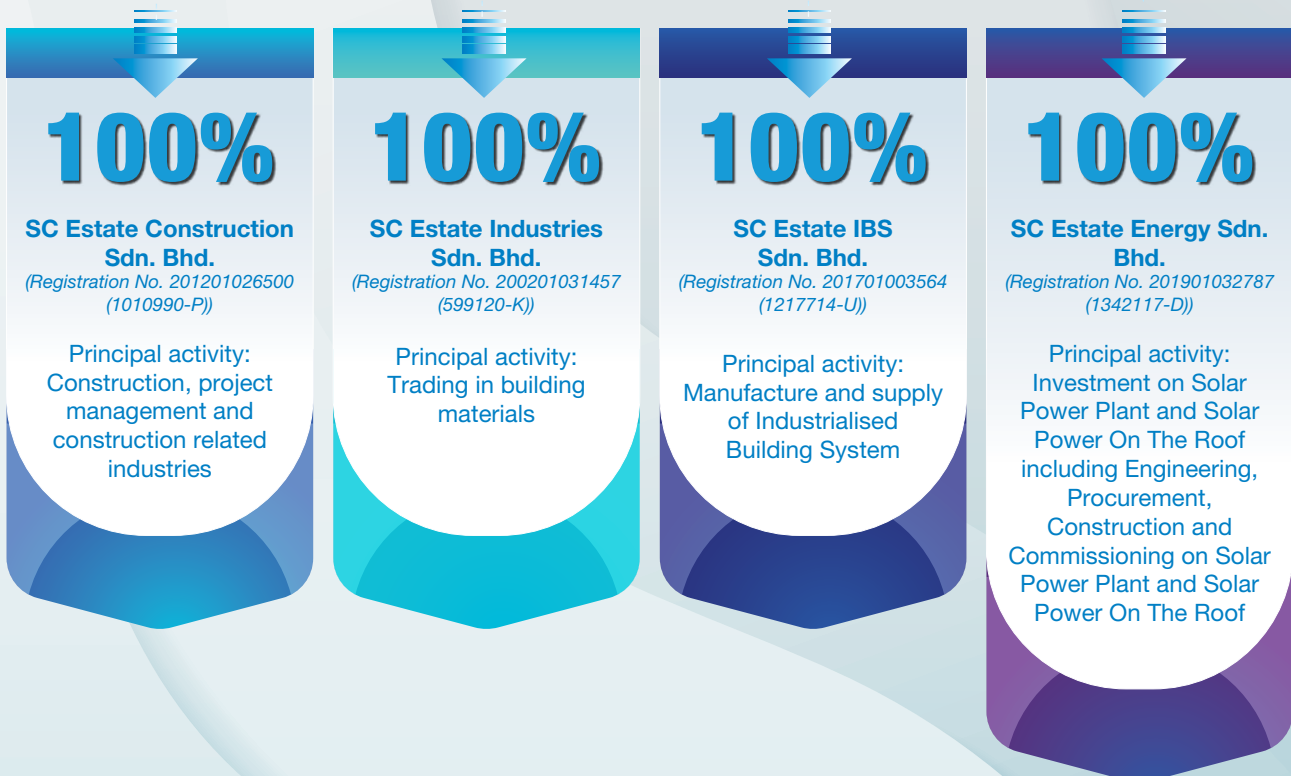
Chan Wei Xi

GROUP CORPORATE STRUCTURE

(As at 11 November 2021)



SC Estate Builder Berhad
 (Registration No. 200401017162 (655665-T))
 Principal activity: Investment holding



ABBREVIATIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Annual Report:-

Abbreviations	Description
ACE LR or Listing Requirements	ACE Market Listing Requirements of Bursa Securities
Act	Companies Act 2016
AGM	Annual General Meeting
Bursa Securities	Bursa Malaysia Securities Berhad
FYE	Financial year ended or financial year ending, as the case may be
FYE 2021	Financial year ended 31 July 2021
FYE 2022	Financial year ending 31 July 2022
INED	Independent Non-Executive Director
LPD	Latest practicable date: 11 November 2021
MFRS	Malaysian Financial Reporting Standards
NINED	Non-Independent Non-Executive Director
MCCG	Malaysian Code on Corporate Governance
SCBUILD/0109 or the Company	SC Estate Builder Berhad
SCBUILD/0109 Group or the Group	SCBUILD/0109 and its subsidiaries
TOR	Terms of Reference

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

LOH BOON GINN

*Ahli Mahkota Kedah
Chairman and Managing Director/Chief Executive Officer
Malaysian, Aged 30, Male*

Date of appointment as Director : 1 March 2016

Length of service as director since appointment : 5 years 8 months

Board Committee(s) served on : Nil

Academic/Professional Qualification(s) : Degree holder in Bachelor of Entrepreneurship from Curtin University, Western Australia

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Loh Boon Ginn does not hold any other directorship in other public listed companies, but he sits on the Board of several private limited companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Loh Boon Ginn is a substantial shareholder of the Company, whereby he is deemed interested by virtue of his shareholdings in Takzim Empayar Sdn. Bhd., a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016.

He is the spouse of Ms. Kuay Jeaneve, the Executive Deputy Chairperson of the Company.

He is a brother to Ms. Loh Shy Ming and Ms. Loh Shy Tyug, the Non-Independent Non-Executive Directors of the Company.

He is also a brother-in-law to Ms. Kuay Jen Nie and Mr. Chee Jun Ann, the Executive Directors of the Company.

Working experience : Mr. Loh Boon Ginn is the founder of SC Estate World Sdn. Bhd., an investment holding company that is involved in various business investment activities and construction business activities.

Time committed : Mr. Loh Boon Ginn attended all the six (6) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021
cont'd

KUAY JEANEVE

*Executive Deputy Chairperson
Malaysian, Aged 28, Female*

Date of appointment as Director : 30 July 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on : Nil

Academic/Professional Qualification(s) : Degree holder in Mass Communication (Honours) (Public Relations) from Taylor's University Lakeside Campus

Present Directorship(s) in other Public Companies and Listed Companies : Ms. Kuay Jeaneve does not hold any other directorship in other public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Ms. Kuay Jeaneve is the spouse of Mr. Loh Boon Ginn, the Chairman and Managing Director of the Company.
She is also a sister to Ms. Kuay Jen Nie, and sister-in-law of Mr. Chee Jun Ann, the Executive Directors of the Company.

Working experience : Ms. Kuay Jeaneve is the founder and managing director of Anjung Meriah Sdn. Bhd., CIDB G7 a construction company that delivers total solutions and services in the field of construction including design and build affordable houses, infrastructure work, project management, solar power and etc.

Time committed : Ms. Kuay Jeaneve has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as she was appointed one day before FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

cont'd

CHEE JUN ANN

*Executive Director
Malaysian, Aged 32, Male*

Date of appointment as Director : 30 July 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on : Nil

Academic/Professional Qualification(s) : Diploma holder in Business Management from Kinabalu Commercial College

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Chee Jun Ann does not hold any other directorship in other public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Chee Jun Ann is the spouse of Ms. Kuay Jen Nie, an Executive Director of the Company.

He is also a brother-in-law to Ms. Kuay Jeanvee, the Executive Deputy Chairperson, and Mr. Loh Boon Ginn, the Chairman and Managing Director of the Company.

Working experience : Ms. Chee Jun Ann is the co-founder of Puromi, EMJK Global and Aloha Party Planner as well as the Business Development Director of Syarikat Perniagaan Kian Seng.

He also has working experience as Sales Manager in Hong Leong Assurance Bhd and Unit Manager in Hong Leong Asset Management.

Time committed : Mr. Chee Jun Ann has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as he was appointed one day before FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021
cont'd

KUAY JEN NIE

*Executive Director
Malaysian, Aged 31, Female*

Date of appointment as Director : 30 July 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on : Nil

Academic/Professional Qualification(s) : Diploma holder in Accounting from Association of Chartered Certified Accountants

Present Directorship(s) in other Public Companies and Listed Companies : Ms. Kuay Jen Nie does not hold any other directorship in other public listed companies.

Family relationship with any Director and/or major shareholder of the Company : Ms. Kuay Jen Nie is the spouse of Mr. Chee Jun Ann, an Executive Director of the Company.

She is also a sister to Ms. Kuay Jeaneve, the Executive Deputy Chairperson, and sister-in-law of Mr. Loh Boon Ginn, the Chairman and Managing Director of the Company.

Working experience : Ms. Kuay Jen Nie is the founder of Puromi, EMJK Global and Aloha Party Planner as well as the Business Development Director of Pemborong Ai Zhen 88.

She also has working experience as an audit and tax assistant in an audit firm.

Time committed : Ms. Kuay Jen Nie has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as she was appointed one day before FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

cont'd

LOH BOON ZHENG

*Non-Independent Non-Executive Director
Malaysian, Aged 32, Male*

Date of appointment as Director : 1 March 2016

Length of service as director since appointment : 5 years 8 months

Board Committee(s) served on : Member of the Audit Committee

Academic/Professional Qualification(s) :

- Degree in Bachelor of Business (Accounting) majoring in Accounting and Finance from Monash University, Caulfield, Australia
- Fellow Member of the CPA Australia since 2014
- Fellow Member of Malaysian Institute of Accountants since 2016

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Loh Boon Zheng does not hold any other directorship in other public listed companies, but he sits on the Board of several private limited companies.

Family relationship with any Director and/or major shareholder of the Company : Mr. Loh Boon Zheng ceased as a substantial shareholder of the Company with effect from 7 July 2020.

Working experience : In 2011, Mr. Loh Boon Zheng started his career with Messrs. PricewaterhouseCoopers PLT in assurance services. In 2015, he left Messrs. PricewaterhouseCoopers PLT for a better career advancement in commercial sector. In 2016, he joined a construction company as Accounts Manager in heading and overseeing the accounts department.

Time committed : Mr. Loh Boon Zheng attended all the six (6) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021
cont'd

LOH SHY TYUG

*Non-Independent Non-Executive Director
Malaysian, Aged 39, Female*

Date of appointment as Director : 15 September 2016

Length of service as director since appointment : 5 years 1 month

Board Committee(s) served on :

- Member of the Nomination Committee
- Member of the Remuneration Committee
- Member of the Risk Management Committee

Academic/Professional Qualification(s) : Master of Science in Chemical and Biological Engineering from Colorado State University and Bachelor of Science in Chemical Engineering from Iowa State University

Present Directorship(s) in other Public Companies and Listed Companies : Non-listed Public Company: Syarikat Kayu Wangi Berhad

Family relationship with any Director and/or major shareholder of the Company : Ms. Loh Shy Tyug is a sister to Mr. Loh Boon Ginn, the Chairman and Managing Director of the Company, who is also a substantial shareholder of the Company. Ms. Loh Shy Tyug ceased as a substantial shareholder of the Company with effect from 2 August 2021.

She is also a sister to Ms. Loh Shy Ming, the Non-Independent Non-Executive Director.

Working experience : Ms. Loh Shy Tyug started her career with Republic Polytechnic, Singapore as Project Engineer. She is a certified trainer under Human Resource Development Fund Malaysia. She is currently Chief Executive Education Director of a private higher education institution offering tertiary educational programs.

Time committed : Ms. Loh Shy Tyug attended all the six (6) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

cont'd

LOH SHY MING

*Non-Independent Non-Executive Director
Malaysian, Aged 32, Female*

Date of appointment as Director : 1 March 2016

Length of service as director since appointment : 5 years 8 months

Board Committee(s) served on : Nil

Academic/Professional Qualification(s) : Degree holder in Bachelor of Finance from University of Wollongong, Northfields Ave, Australia

Present Directorship(s) in other Public Companies and Listed Companies : Ms. Loh Shy Ming does not hold any other directorship in other public listed companies, but she sits on the Board of several private limited companies.

Family relationship with any Director and/or major shareholder of the Company : Ms. Loh Shy Ming is a sister to Mr. Loh Boon Ginn, the Chairman and Managing Director of the Company, who is also a substantial shareholder of the Company. Ms. Loh Shy Ming ceased as a substantial shareholder of the Company with effect from 2 August 2021.

She is also a sister to Ms. Loh Shy Tyug, the Non-Independent Non-Executive Director of the Company.

Working experience : Ms Loh Shy Ming is currently handling financial work & account related work for F&B industry. Furthermore, she has been involved in food manufacturing operations & decision making level management since 2019. She was Chief Financial Officer in SC Estate World Sdn Bhd, an investment holdings company and involved in various business operations & decision-making level management.

Time committed : Ms. Loh Shy Ming attended all the six (6) Board of Directors' Meetings of the Company held in the FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021
cont'd

JOSIPINNA BINTI PUDUN

*Independent Non-Executive Director
Malaysian, Aged 41, Female*

Date of appointment as Director : 30 July 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on :

- Chairperson of the Audit Committee
- Chairperson of the Nomination Committee
- Chairperson of the Remuneration Committee
- Chairperson of the Risk Management Committee

Academic/Professional Qualification(s) : Degree holder in Computer Science from University Putra Malaysia

Present Directorship(s) in other Public Companies and Listed Companies : Ms. Josipinna Binti Pudun does not hold any other directorship in other public listed companies.

Working experience : Ms. Josipinna has 16 years of experience in Software development industry. She possesses hands-on experience and proven track record in leadership, software development engineering and project management in various multinational corporations as well as local SMEs.

Time committed : Ms. Josipinna Binti Pudun has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as she was appointed one day before FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

cont'd

LOO TZE MING

*Independent Non-Executive Director
Malaysian, Aged 36, Male*

Date of appointment as Director : 30 July 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on :

- Member of the Audit Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee
- Member of the Risk Management Committee

Academic/Professional Qualification(s) : Degree holder in Engineering (Hons) Electronics majoring in Computer Project Management from Multimedia University

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Loo Tze Ming does not hold any other directorship in other public listed companies.

Working experience : Mr. Loo Tze Ming has over 11 years of experience in Design of Data Centres related industries and Solar Energy generation and green initiative projects.

Time committed : Mr. Loo Tze Ming has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as he was appointed one day before FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021
cont'd

SOO TING HOOI

*Independent Non-Executive Director
Malaysian, Aged 29, Male*

Date of appointment as Director : 4 August 2021

Length of service as director since appointment : 3 months

Board Committee(s) served on :

- Member of the Audit Committee
- Member of the Nomination Committee
- Member of the Remuneration Committee
- Member of the Risk Management Committee

Academic/Professional Qualification(s) : Degree holder in Bachelor of Science (Hons) in Information Technology from Leeds Beckett University

Present Directorship(s) in other Public Companies and Listed Companies : Mr. Soo Ting Hooi does not hold any other directorship in other public listed companies.

Working experience : Mr. Soo Ting Hooi is a Sales Director of Wei Sheng Hardware Sdn. Bhd. and Project Director of Nettium Sdn. Bhd.

Time committed : Mr. Soo Ting Hooi has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as he was appointed after FYE 2021.

PROFILES OF THE BOARD OF DIRECTORS

As at 11 November 2021

cont'd

CHAN WEI XI	
<i>Independent Non-Executive Director Malaysian, Aged 27, Female</i>	
Date of appointment as Director	: 4 August 2021
Length of service as director since appointment	: 3 months
Board Committee(s) served on	: <ul style="list-style-type: none"> • Member of the Audit Committee • Member of the Nomination Committee • Member of the Remuneration Committee • Member of the Risk Management Committee
Academic/Professional Qualification(s)	: Degree holder in Bachelor (Hons) of Public Relations & Communication from Leeds Beckett University
Present Directorship(s) in other Public Companies and Listed Companies	: Ms. Chan Wei Xi does not hold any other directorship in other public listed companies.
Working experience	Ms. Chan Wei Xi is a Director of Mum Mum Snacks Retail Sdn. Bhd.
Time committed	Ms. Chan Wei Xi has not attended any Board of Directors' Meetings of the Company held in the FYE 2021 as she was appointed after FYE 2021.

Notes:-

Save as disclosed above, none of the Directors has:-

- (a) any family relationship with any Director and/or major shareholder of the Company;
- (b) any conflict of interest with the Company; and
- (c) any conviction for offences (other than traffic offences) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILES OF KEY MANAGEMENT TEAM

LOH BOON GINN

*Ahli Mahkota Kedah
Chairman and Managing Director
Malaysian, Aged 30, Male*

[Please refer to page 14 for profile of Mr. Loh Boon Ginn]

SUSTAINABILITY STATEMENT

The Group recognises the importance of sustainability as an element for long term business growth as well as creating long term value for the shareholders, environment and society.

The Group has identified the following areas for its sustainability practices commitment:

<p>Workplace</p> <ul style="list-style-type: none"> ✓ Workplace diversity ✓ Healthy and safe working environment 	<p>Community</p> <ul style="list-style-type: none"> ✓ Contribution to the needy
<p>Environment</p> <ul style="list-style-type: none"> ✓ Environmental-friendly materials ✓ Proper waste management ✓ Reuse and recycle of equipment/materials 	<p>Marketplace</p> <ul style="list-style-type: none"> ✓ Corporate disclosure practices ✓ Corporate governance ✓ Dedicated sections at corporate website

(1) WORKPLACE

With a constantly growing workforce and ever-evolving construction and construction related sectors, it is imperative that the Group continues to invest in its employees.

(a) Workplace Diversity

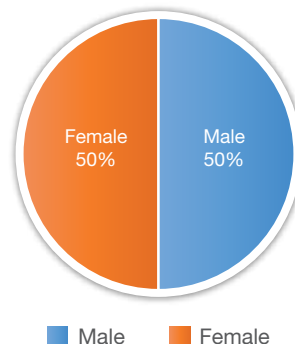
The Group embraces diversity at workplace and we do not allow room for any form of discrimination practice against people of different gender, age, ethnicity, nationality or marital status.

By employing a diverse workforce, the Group is able to have a better understanding of today's dynamic market demographics. It has also enable the Group to tap into a pool of people from diverse backgrounds who can provide unique market insights or generate creative solutions, thereby increasing the Group's competitiveness in today's globalised and challenging economy.

Gender diversity

As at LPD, the Group had achieved a ratio of 50:50 in the workforce of the Group in terms of male/female, accomplished the government's initiatives to achieve 30% women participation in the workplace.

Workforce By Gender



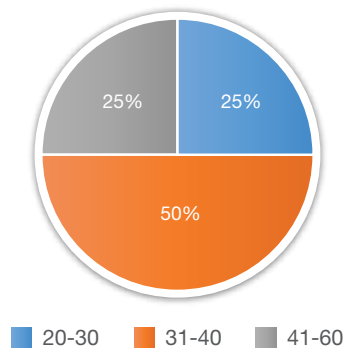
SUSTAINABILITY STATEMENT

cont'd

Age diversity

As at LPD, 25% of our employees belong to the age group of between 20 to 30, 50% of our employees belongs to age group of between 31 to 40 and 25% of our employees belong to the age group of between 41 to 60. The Group's age demographics pattern shows the Group has a workforce of young age.

Workforce By Age

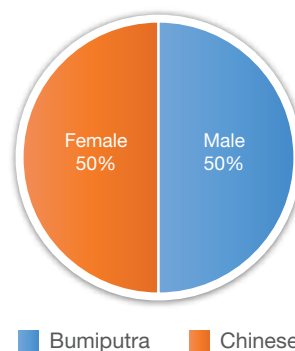


Ethnicity diversity

As at LPD, employees of Bumiputra and Chinese ethnicity constituted an equal mix of the Group workforce at 50% each. The Group is endeavour to achieve well balance hiring of staff during the recruitment process.

As at LPD, the Group has an equal mix of Bumiputra and Chinese ethnicity in the Group workforce at 50% each. The Group is endeavour to achieve well balance hiring of staff during the recruitment process.

Workforce By Ethnicity



SUSTAINABILITY STATEMENT

cont'd

(b) Healthy and Safe working environment

The Group continuously strive to provide a healthy and safe working environment for our employees. Regular workplace inspection is one of the main duties of the management to ensure work places are uncluttered, neat, tidy and safe. Fire and safety drills, as well as risk awareness briefing are held regularly to ensure that employees are well prepared in the event of an emergency.

(2) ENVIRONMENT

The Group believes it has a moral and social responsibility in reducing the carbon footprint, contributing towards a greener environment.

The Group is continuously looking for new ways to incorporate sustainability practices into all its processes, including construction and building works processes or sourcing of construction and building materials processes.

As a sustainable practice, the Group continuously promote awareness and commitment to its customers on the following initiatives:-

- Promote the use of environmental-friendly materials sourced from sustainable resources;
- Proper construction waste management with storage, collection and re-use of recyclables and construction formworks and waste;
- Introducing sustainable products that can help curtail power consumption and minimising the taxing impact on the environment; and

(3) COMMUNITY

Being a socially responsible corporate citizen, the Group is active in its contributions to community welfare. To achieve its corporate social objectives, the Group supports the needy in the communities in which its businesses operate and its employees live and work.

(4) MARKETPLACE

As a listed entity as well as an employer, the Group has an obligation to its shareholders and statutory obligations to the relevant authorities.

(a) Corporate Disclosure Practices

The Group recognises the importance of timely and thorough dissemination of accurate and useful information relating to our operations to stakeholders. In this regard, we strictly adhere to the disclosure requirements of Bursa Securities and the Malaysian Accounting Standards Board. In fact, this Annual Report contains comprehensive information pertaining to the Group, while various disclosures on financial results provide stakeholders with the latest financial information on the Group.

SUSTAINABILITY STATEMENT

cont'd

(b) Dedicated sections in corporate website

Apart from the mandatory public announcements through Bursa Securities, the Group's website at www.scestatebuilder.com.my provides the public with convenient and timely access to business updates, and financial and non-financial information. Furthermore, stakeholders are able to direct queries to the Group via this website.

The Company has two (2) dedicated sections/notices to ensure more effective dissemination of information:-

- “**Corporate Events**” section; and
- “**Investor Relations**” section.

CONCLUSION

The Group recognises the important of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

To Our Shareholders of SCBUILD/0109

**OUR FUTURE @ SCBUILD/0109
INVEST FOR LONG TERM**

**MOVING FORWARD 2020-2030
UNITED • BEYOND 2100**

“

Dear Shareholders,

*On behalf of Our Board Of Directors (“**OUR BOD**”) of SC Estate Builder Berhad (“**SCBUILD/0109**”), I am pleased to present to you the Annual Report and Audited Financial Statements of the Company and its subsidiaries (“**SCBUILD/0109 GROUP**”) for the financial year ended 31 July 2021 (“**FYE 2021**”). In line with **OUR FUTURE @ SCBUILD/0109 > INVEST FOR LONG TERM > MOVING FORWARD 2020-2030 > UNITED • BEYOND 2100.***

”

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

SCBUILD/0109 MENJUNJUNG SETINGGI KASIH SERI PADUKA BAGINDA YANG DI-PERTUAN AGONG XIV

On 7 December 2016, Seri Paduka Baginda Yang Di-Pertuan Agong XIV Diatas Perkenan Menyaksikan Penjanamaan Baru Syarikat Flonic Hi-Tec Berhad Kepada SC Estate Builder Berhad Stock Name/Code: SCBUILD/0109 Listed on ACE Market of Bursa Malaysia bersama-sama dengan YTM Tunku Temenggong Kedah Dato' Seri Diraja Tan Sri Tunku Puteri Intan Safinaz binti Almarhum Sultan Abdul Halim, Pengerusi Yayasan Sultanah Bahiyah (YSB) dan Loh Boon Ginn Managing Director/Chief Executive Officer SC Estate Builder Berhad (SCBUILD/0109) di dalam Majlis Santapan Amal "An Evening With The Royal Patron 2016 And Celebrating Yayasan Sultanah Bahiyah 20th Anniversary" Anjuran Yayasan Sultanah Bahiyah (YSB).

SCBUILD/0109 SHARIAH COMPLIANT COMPANY

SCBUILD/0109 is a Shariah Compliant Company listed on ACE Market of Bursa Malaysia Securities Berhad since 29 November 2005. SCBUILD/0109 Group's core business is Construction and its related industries including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses.

SCBUILD/0109 CHAIRMAN AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

I, Loh Boon Ginn, age 30, Ahli Mahkota Kedah, born in 1991 in the State of Kedah Darul Aman, Malaysia. I am a high school graduate from Maharishi School in Iowa, United States of America in 2009 and major in Bachelor of Entrepreneurship from Curtin University, Western Australia in 2015. The title of Ahli Mahkota Kedah was conferred by Almarhum Sultan Abdul Halim Mu'adzam Shah Ibni Almarhum Sultan Badlishah Sultan Negeri Kedah Darul Aman in 2017.

On 1 March 2016, I was appointed as the Managing Director / Chief Executive Officer of SCBUILD/0109 and subsequently on 30 April 2020, I was appointed as Chairman of SCBUILD/0109.

SCBUILD/0109 BOARD OF DIRECTORS (BOD)

Our Board Of Directors, age 20s-30s, is formed by a mixture of talented professionals consisting of 6 females and 5 males while 3 of our Directors are Bumiputera. Our Board accomplished 55% woman members exceeded the government's target of 30% woman composition in the Board. SCBUILD/0109 recognises young talent would bring vibrant and energetic business environment to SCBUILD/0109.

SCBUILD/0109 CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

SCBUILD/0109 believes that a firm commitment to CSR activities forms the basis of good corporate citizenship. In this respect, the Company is committed to yearly contribution for the education fund of Yayasan Sultanah Bahiyah, founded by the Kedah Royalty, for CSR of SCBUILD/0109.

MAJLIS MENANDATANGANI MEMORANDUM PERSEFAHAMAN (MOU) - SUMBANGAN DANA PENDIDIKAN OLEH SC ESTATE BUILDER BERHAD & SUMBANGAN 2 JUTA SAHAM OLEH SC ESTATE WORLD SDN. BHD. KEPADA YAYASAN SULTANAH BAHIYAH

On 29 July 2019, Yang Teramat Mulia Dato' Seri DiRaja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah, Tunku Temenggong Kedah, Pengerusi Yayasan Sultanah Bahiyah attended an event organised by SC Estate Builder Berhad "Majlis Menandatangani Memorandum Persefahaman (MOU) - Sumbangan Dana Pendidikan Oleh SC Estate Builder Berhad & Sumbangan 2 Juta Saham Oleh SC Estate World Sdn. Bhd. Kepada Yayasan Sultanah Bahiyah".

SCBUILD/0109 ENVIRONMENT SOCIAL AND GOVERNANCE (ESG) INTIATIVE PROJECTS

In line with SCBUILD/0109 ESG initiative, SCBUILD/0109 Targets To Build 2,000 Megawatt (MW) To 3,000 Megawatt (MW) Of Solar Power Plants For Multiple Effect Solutions On Climate Change In Malaysia, ASEAN Members Countries And In Asia.

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

Further, SCBUILD/0109 Targets To Build 2,000 Units To 3,000 Units Of Affordable Houses With Solar Power On The Roofs, 2 Meters Social Distance Walkway And Bicycle Lane With Internet Connectivity For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic To Create Safety, Healthy, Wealthy For The Peoples And Planet.

The Management of Employees Provident Fund (EPF) noted the initiative of SCBUILD/0109 in taking responsibility for the challenge of Environment, Social and Governance (ESG) via their letter dated 28 December 2020.

“Pengurusan KWSP mengambil maklum inisiatif syarikat SC Estate Builder Berhad (SCEBB) dalam usaha memikul tanggungjawab bersama memenuhi tuntutan cabaran ‘Environment, Sosial and Governance’ atau ESG pada masa ini.”

SCBUILD/0109 CORE BUSINESS

SCBUILD/0109 Group's main focus on its core businesses are Construction and its related industries including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses.

Presently, SCBUILD/0109 Group has an outstanding order book of approximately RM4.32 million. SCBUILD/0109 2020 – 2030 YEAR MOVING FORWARD will continue to look for more Construction and related activities including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses to strengthen the financial performance of SCBUILD/0109 Group.

SCBUILD/0109 PROSPECT

The Group is focusing its efforts to increase its construction contract and will continue to secure more contract 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.

SCBUILD/0109 Prospect in line with OUR FUTURE @ SCBUILD/0109 > INVEST FOR LONG TERM > MOVING FORWARD 2020 – 2030 > UNITED • BEYOND 2100.

On 15 December 2020, the Company had written to Employees Provident Fund (EPF) inviting EPF to subscribe to the Company's private placement announced on 2 October 2020. Despite EPF did not subscribe to the private placement. The Management Of EPF noted the initiative of SCBUILD/0109 in taking responsibility for the challenge of Environment, Social and Governance (ESG) via their letter dated 28 December 2020.

“Pengurusan KWSP mengambil maklum inisiatif syarikat SC Estate Builder Berhad (SCEBB) dalam usaha memikul tanggungjawab bersama memenuhi tuntutan cabaran ‘Environment, Sosial and Governance’ atau ESG pada masa ini.”

SCBUILD/0109 proposes Multiple Effect Solutions for 2020 Year Global Crisis on Climate Change and Coronavirus Pandemic Across The World to Create Safety, Healthy, Wealthy for The Peoples and Planet.

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

SCBUILD/0109 is a Shariah Compliant Company Listed On ACE Market Of Bursa Malaysia since 29 November 2005. SCBUILD/0109 Group's Core Business is Construction and its related industries including Renewable Energy (RE) On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Business.

SCBUILD/0109 strives to Secure more contracts from The Government and Private Sector on its Core Business Construction and its related Industries including Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roof, Affordable Houses, Infrastructures works and related business to replenish SCBUILD/0109's order book as well as to continue improve performance of the Group.

SCBUILD/0109 Believes Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roofs, Affordable Houses and Infrastructures Works will contribute positively to the Group.

SCBUILD/0109 is optimistic in the Outlook for the Group in the coming years with the expansion into Renewable Energy (RE) on Solar Power Plants, Solar Power On The Roofs, Affordable Houses and Infrastructures works under Environment, Social and Governance (ESG) initiative projects that Solutions On Climate Change On Global Warning And Flooding.

SC Estate IBS Sdn. Bhd., a wholly-owned subsidiary of the Company had received a letter of award dated 15 January 2021 from Merchant Esteem Sdn. Bhd. for the proposed Prototyping Solar Power On The Roofs on one unit of terrace/shop houses and proposed financing, building and completion of 28 units single storey terrace/shop houses at town of Alor Setar, state of Kedah Darul Aman, Malaysia.

On 27 January 2021, SC Estate Energy Sdn. Bhd., a subsidiary of SCBUILD/0109 had obtained Approval From Sustainable Energy Development Authority (SEDA) to be listed under the Registered Solar PV Investor Directory.

On 5 October 2021, SCBUILD/0109 entered into a Memorandum of Understanding (MOU) with the following Kedah Royalty in relation to the proposed acquisition by the Company of a piece of land to build 100 Megawatt (MW) Solar Power Plant or Environment, Social and Governance (ESG) initiative projects:-

- Yang Teramat Mulia Dato' Seri Diraja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah;
- Yang Teramat Mulia Tunku Sakinah Binti Sultan Badlishah; and
- Yang Maha Mulia Che Puan Besar Hajah Haminah Binti Haji Hamidun.

SCBUILD/0109 is Confident that the Group has made some achievement in Year 2021 as above and can achieve better performance in the future in line with SCBUILD/0109 2020 – 2030 Year Moving Forward Businesses Plans as follows:

SCBUILD/0109 2020 – 2030 YEAR MOVING FORWARD BUSINESSES PLANS

LEVEL	TARGETS PROPOSED
0.	SCBUILD/0109 2020 – 2030 YEAR <u>Committed To Net-Zero Carbon Emission By 2050</u> Proposes Multiple Effect Solutions On Climate Change And Target To Build 2,000 Megawatt (MW) to 3,000 Megawatt (MW) Of Solar Power Plants And Solar Power On The Roofs In Malaysia, ASEAN Members Countries And In Asia.
1.	SCBUILD/0109 2020 – 2030 YEAR <u>Fundraising Of RM2Billion To RM3Billion</u> To Finance Construction And Related Industries Including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses. Lease Or Purchase Of Lands, Working Capitals, General Expenses, Operating Costs, Acquisition Of Construction And Related Businesses, Shares Buy Back And Etc.

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

2. SCBUILD/0109 2020 – 2030 YEAR Merger And Acquisition (M & A) With Construction And Related Industries Including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses.
3. SCBUILD/0109 2020 – 2030 YEAR Target To Build 2,000 Megawatt (MW) To 3,000 Megawatt (MW) Of Solar Power Plants For Multiple Effect Solutions On Climate Change In Malaysia, ASEAN Members Countries And In Asia.
4. SCBUILD/0109 2020 – 2030 YEAR Target To Build 2,000 Units To 3,000 Units Of Affordable Houses With Solar Power On The Roofs, 2 Meters Social Distance Walkway And Bicycle Lane With Internet Connectivity For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic To Create Safety, Healthy, Wealthy For The Peoples And Planet.
5. SCBUILD/0109 2020 – 2030 YEAR Committed To Government Of Malaysia Shared Prosperity Vision 2030, Proposals That Submitted By SCBUILD/0109 To Government of Malaysia For The Proposed Infrastructure Works That Awarded From Malaysia Government To SCBUILD/0109 Will Be Allocated 40% Of The Works To Bumiputera Usahawan And Young Entrepreneurs At The Age Of 20s-30s.
6. SCBUILD/0109 2020 – 2030 YEAR To Build Shareholders And Investors Relationship Also Related Promotions In Malaysia, ASEAN Members Countries And In Asia As Well As America, Europe And United Kingdom (UK) To Invest In OUR FUTURE @ SCBUILD/0109 Stocks And Funding For Multiple Effect Solutions On Climate Change And Coronavirus Pandemic Across The World To Create Safety, Healthy And Wealthy For The Peoples And Planet.
7. SCBUILD/0109 2020 – 2030 YEAR To Use Advance Technologies, Smart Phones, Computers, Internet, Artificial Intelligence (AI), Automations, Robotics, Future Technologies And Etc. For Multiple Effect Solutions On Businesses, Climate Change And Coronavirus Pandemic Across The World To Create Safety, Healthy And Wealthy For The Peoples And Planet.
8. SCBUILD/0109 2020 – 2030 YEAR To Apply SCBUILD/0109 TOOLS OF 3S (Simple, Strong And Solid) Simple Business, Strong Organization And Solid Assets And 3M (Multiple, Maximum And Minimum) Multiple Income, Maximum Profit And Minimum Cost For All SCBUILD/0109 Businesses.
9. SCBUILD/0109 2020 – 2030 YEAR To Welcome Younger Generation Age Of 20s- 30s To Invest In SCBUILD/0109 Stocks And Also Proposals From SCBUILD/0109 Shareholders and Investors That Can Make Businesses Profitable And Increase In Share Price In line With OUR FUTURE @ SCBUILD/0109 > INVEST FOR LONG TERM > MOVING FORWARD 2020-2030 > UNITED • BEYOND 2100.

SCBUILD/0109 CORPORATE DEVELOPMENT

On 22 January 2021 the Company announced a proposal to undertake a private placement of up to 20% of the total number of issued shares of SCBUILD/0109 to third party investor(s). Accordingly, a total of 116,618,181 Placement Shares may be issued pursuant to the Proposed Private Placement.

On 26 February 2021, the Company announced that 80,000,000 new shares were issued pursuant to the proposed private placement of up to 20% for the issued and paid up shares capital of the Company at an issue price of RM0.05 per share. The 80,000,000 shares were listed on 1 March 2021.

On 9 June 2021, the Company announced that 6,000,000 new shares were issued pursuant to the proposed private placement of up to 20% for the issued and paid up shares capital of the Company at an issue price of RM0.07812 per share. The 6,000,000 shares were listed on 10 June 2021.

CHAIRMAN AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER'S STATEMENT

cont'd

On 29 July 2021, the Company announced that 15,000,000 new shares were issued pursuant to the proposed private placement of up to 20% for the issued and paid up shares capital of the Company at an issue price of RM0.072 per share. The 15,000,000 shares were listed on 30 June 2021.

On 5 August 2021, the Company announced that 15,000,000 new shares were issued pursuant to the proposed private placement of up to 20% for the issued and paid up shares capital of the Company at an issue price of RM0.0675 per share. The 15,000,000 shares were listed on 6 August 2021.

DIVIDEND

The Board of Directors do not recommend a dividend for the FYE 2021.

APPRECIATION & ACKNOWLEDGEMENT

On behalf of the Board, I would like to take the opportunity to welcome the newly joined Directors, namely Ms. Kuay Jeaneve, Ms. Josipinna Binti Pudun, Ms. Kuay Jen Nie, Ms. Chan Wei Xi, Mr. Chee Jun Ann, Mr, Loo Tze Ming and Mr. Soo Ting Hooi to the Board of Directors.

I would also like to record our appreciation to Ms. Ooi Bee Chin for her invaluable contributions rendered during their tenure on the Board.

I wish to express my sincere gratitude to my fellow directors, and Management team for their trust and support in the past year and continue to empower me as Chairman and Managing Director / Chief Executive Officer to lead and achieve OUR FUTURE @ SCBUILD/0109 > INVEST FOR LONG TERM > MOVING FORWARD 2020-2030 > UNITED • BEYOND 2100

Further, I would like to extend my sincere appreciation to our customers, suppliers, business associates, the financiers, the government agencies and regulatory authorities for their continued support to SCBUILD/0109.

I would also like to express my sincere appreciation to our esteemed shareholders for your continued support, confidence and trust in me and to lead SCBUILD/0109. I will continue to work hard to provide better shareholder value to each and every one of you.

Lastly, I wish to express my deepest gratitude to the SCBUILD/0109's management team and our staff for their unwavering support and commitments.

LOH BOON GINN

AHLI MAHKOTA KEDAH

CHAIRMAN AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER OF SCBUILD/0109

MANAGEMENT DISCUSSION AND ANALYSIS

SCBUILD/0109 FINANCIAL PERFORMANCE

For the FYE 2021, SCBUILD/0109 Group involved in Construction and its related industries including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses.

For the FYE 2021, the SCBUILD/0109 Group recorded revenue of RM3.351 million which represents a decrease of RM3.839 million or approximately 53% as compared to the revenue of RM7.19 million for the comparative 18-month FYE 31 July 2020. The decrease in revenue was mainly attributable to interruptions in SCBUILD/0109 Group's Construction works progress and decrease in sales volume of SCBUILD/0109 Group's trading of building materials as a result of the following:-

- i. Coronavirus Pandemic Across Malaysia and The World; and
- ii. A slowdown in Buildings and Infrastructure activities of the Group's client resulted in a corresponding slowdown in the Group's Construction works.

SCBUILD/0109 Group recorded a loss before tax of RM1.852 million for the FYE 2021 as compared to the loss before tax of RM0.437 million for the comparative 18-month FYE 31 July 2020. The loss before tax recorded during the FYE 2021 was mainly attributable to the following:-

- i. Lower gross profit of RM0.477 million in line with the lower revenue recorded for the financial year under review, which represents a decrease of RM2.677 million as compared to the gross profit of RM3.154 million for the comparative 18-month FYE 31 July 2020; and
- ii. The Group incurring operating expenses of RM2.364 million during the financial year under review. For shareholders' information, the Group had incurred operating expenses of RM3.566 million for the comparative 18-month FYE 31 July 2020.

SCBUILD/0109 Group incurred loss after tax of RM1.86 million for the FYE 2021 as a result of loss before tax from continuing operations of RM1.852 million and income tax expense of RM0.009 million.

SCBUILD/0109 CORE BUSINESS

SCBUILD/0109 Group's main focus on its core businesses are Construction and its related industries including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses.

Presently, SCBUILD/0109 Group has an outstanding order book of approximately RM4.32 million. SCBUILD/0109 2020 – 2030 YEAR MOVING FORWARD will continue to look for more Construction and related activities including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses to strengthen the financial performance of SCBUILD/0109 Group.

SC Estate IBS Sdn. Bhd., a wholly-owned subsidiary of the Company had received a letter of award dated 15 January 2021 from Merchant Esteem Sdn. Bhd. for the proposed Prototyping Solar Power On The Roofs on one unit of terrace/shop houses and proposed financing, building and completion of 28 units single storey terrace/shop houses at town of Alor Setar, state of Kedah Darul Aman, Malaysia.

On 27 January 2021, SC Estate Energy Sdn. Bhd., a subsidiary of SCBUILD/0109 had obtained approval from Sustainable Energy Development Authority (SEDA) to be listed under the Registered Solar PV Investor Directory.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

On 5 October 2021, SCBUILD/0109 entered into a Memorandum of Understanding (MOU) with the following Kedah Royalty in relation to the proposed acquisition by the Company of a piece of land to build 100 Megawatt (MW) Solar Power Plant or Environment, Social and Governance (ESG) initiative projects:-

- Yang Teramat Mulia Dato' Seri Diraja Tan Sri Tunku Puteri Intan Safinaz Binti Almarhum Sultan Abdul Halim Mu'adzam Shah;
- Yang Teramat Mulia Tunku Sakinah Binti Sultan Badlishah; and
- Yang Maha Mulia Che Puan Besar Hajah Haminah Binti Haji Hamidun.

SCBUILD/0109 PROSPECT

SCBUILD/0109 Group is focusing its efforts to complete the existing Construction contract in hand and SCBUILD/0109 2020 – 2030 YEAR MOVING FORWARD will continue to secure more contract on Construction and related activities including Renewable Energy On Solar Power Plants, Solar Power On The Roofs, Affordable Houses, Infrastructure Works And Related Businesses to replenish the SCBUILD/0109 Group's order book as well as to improve the future performance of SCBUILD/0109 Group. In addition, SCBUILD/0109 Group is expanding through acquisition of companies that is in the business of Construction and its related industry and venturing into the business of Renewable Energy on Solar Power Plants and Solar Power On The Roofs that would contribute positively to SCBUILD/0109 Group.

Despite the prevailing challenges faced by SCBUILD/0109 Group in the Construction industry, SCBUILD/0109 Group is optimistic in the outlook for SCBUILD/0109 Group in the coming years.

SCBUILD/0109 Group has initiated an expansion plan in 2020 Year venture into Renewable Energy Sector in particular on Solar Power Plants and Solar Power On The Roofs. This expansion plan not only allows the SCBUILD/0109 Group to penetrate broader spectrum of revenue but also enables SCBUILD/0109 Group to contribute to the Government's Policy to achieve 31% Renewable Energy target by 2025.

With the expected increase of energy demand, more fossil fuels will be consumed to generate electricity. These fossil fuels will increase the generation of CO₂ and contribute negatively to Climate Change and counterproductive to the countries effort in reducing Green House Gas emissions target set in the Paris Agreement where Malaysia has committed to reduce Greenhouse Gas (GHG) emissions by 45% by 2030 in relation to our 2005 GDP.

SCBUILD/0109 2020-2030 YEAR MOVING FORWARD seeks to achieve profitability with its strategies for its business expansion plan and strives to continuously working towards the improvement in the financial performance of SCBUILD/0109 Group.

Management of SCBUILD/0109

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this Corporate Governance (“CG”) Overview Statement (“Statement”) to provide the investors with an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the MCCG with reference to the three (3) key principles under the stewardship of the Board as follows:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement also serves as a compliance with Rule 15.25(1) of the ACE LR and should be read together with the CG Report of the Company for FYE 2021.

The CG Report 2021 is available for viewing on the Company’s corporate website at www.scestatebuilder.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

1. Duties and responsibilities of the Board

The Board is responsible for the leadership, oversight and the long-term success of the Group.

Certain responsibilities of the Board are delegated to other Board Committees namely, the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”) to assist the Board in the deliberation of key issues and/or decision making within their TOR.

The Board keeps itself abreast of the key issues and/or decisions made through the reports made by Chairman of each Committee and Board Committee Minutes of the applicable period.

It is the general policy of the Company that all major decisions be considered by the Board as a whole.

To ensure the effective discharge of its function and duties, the primary responsibilities of the Board include (but are not limited to) the following:-

- (a) Promote good governance culture;
- (b) Review of Management’s proposals and business/strategic plans;
- (c) Oversee of business operations and performance tracking;
- (d) Review framework for internal controls and risk management;
- (e) Identification of principal risks and implementation of appropriate internal control and mitigation measures;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. BOARD RESPONSIBILITIES *cont'd*

1. Duties and responsibilities of the Board *cont'd*

- (f) Succession planning and continuing development;
- (g) Procedures for effective communication with stakeholders; and
- (h) Ensure integrity of financial and non-financial reporting.

2. Key responsibilities of the Chairman

Mr. Loh Boon Ginn is the Chairman of the Board and Managing Director/Chief Executive Officer, and his key responsibilities as a Chairman, include but not limited to the following:-

- (a) Demonstrates leadership for the Board in discharging its duties and responsibilities effectively.
- (b) Ensures that the Notice of the Board Meeting is issued at least seven (7) days prior to the Meeting, unless consent by all Directors on the shorter notice.
- (c) Leads the conduct of the Board Meetings and initiates discussion within the Board.
- (d) Stimulates participation and sharing of views and ideas from different perspectives by the Directors and ensures all views will be taken into consideration during the decision-making process by the Board.
- (e) Acts as the intermediary between the Board and the Management by coordinating smooth communication flow between both parties.
- (f) Chairs the general meetings of the Company and commits to answering the queries from the shareholders.
- (g) Communicates the views from the stakeholders to the Board as a whole, for consideration or improvement, if any.
- (h) Leads the Board to ensure compliance with all relevant laws and regulations, and to the best of their effort, promote and implement good governance practices within the organisation.

3. Separation of the positions of the Chairman and Managing Director

The Board is mindful of the dual role of Chairman and Managing Director (“MD”) held by Mr. Loh Boon Ginn and is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient check and balance. This allows for effective oversight of the Management as well as to support objective and independent deliberation, review and decision making.

The Board noted the combination of the positions of the Chairman and the MD is essential for the commercial environment that the Group is currently operating. Such combination of roles render creditability and confidence to third party(ies) on the authority of the Chairman and MD for successful conclusion of commercial deals/transactions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. BOARD RESPONSIBILITIES *cont'd*

4. Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Chua Siew Chuan, FCIS
- Mr. Cheng Chia Ping, ACIS

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (“**MAICSA**”) and are qualified to act as company secretary under Section 235(2) of the Act. Further details on the qualifications and experiences of the Company Secretaries are outlined in the CG Report 2021, which are available for viewing on the Company’s corporate website at www.scestatebuilder.com.my.

The Company Secretaries have and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment, through continuous training and industry updates. They have also attended relevant continuous professional development programmes as required by MAICSA for practicing Chartered Secretaries.

All Directors have unrestricted access to the advice and support of the Company Secretaries in relation to Board policies and procedures, compliance of applicable rules and regulations by the Group and corporate governance related practices.

For FYE 2021, the Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging its functions.

5. Timely circulation of meeting materials

The Board fixes the forthcoming year annual meeting schedule by the end of every year and upon confirmation by the Board, it will be disseminated to the Management.

The Notice of the scheduled Board Meeting is served to the Directors at least seven (7) days prior to the Board Meeting, unless consent by all the Directors on shorter notice and waiver of notice.

A comprehensive meeting papers comprising background, matters arising, research, analysis, findings/updates, results, presentations, recommendations and any other relevant information are prepared and circulated to the Directors in both hardcopy and electronic form via e-mail, prior to the Board Meeting, to enable the Board to make considerations, deliberations and decisions.

Intended Outcome 2.0

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. BOARD RESPONSIBILITIES *cont'd*

6. Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has a Board Charter outlining the authority, responsibilities, membership and operation of the Board, adopting principles of good corporate governance and practice, in accordance with applicable laws in Malaysia. The Board Charter entails, inter alia, the following main items:-

- Role of Board;
- Relationship with Management;
- Responsibilities of the Board;
- Matters reserved for the Board; and
- Structure of the Board.

The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of Company's business.

The Board Committees in performing their responsibilities delegated by the Board would be guided by the TOR of each of the Committees as approved by the Board.

The Board Charter is to be regularly reviewed by the Board as and when required in order to ensure the Board remains consistent with the Board's objectives and responsibilities and any new regulations that may have an impact on the discharge of the Board's responsibilities, more important, aligning with the Company's business strategy.

The Board Charter is available for viewing under the "Investor Relation" section of the Company's corporate website at www.scestatebuilder.com.my.

Intended Outcome 3.0

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

7. Code of Ethics and Conduct

In compliance with Practice 3.1 of the MCCG, the Board has established a Code of Ethics and Conduct ("**the Code**") which sets forth the ethical and professional standards to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group and to provide guidance to ensure that upholding the ethical conduct in the Board and/or employees' daily work.

The Code of Ethics and Conduct sets out the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities or when representing the Group and includes the expectation of professionalism and trustworthiness from the Directors and employees of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

I. BOARD RESPONSIBILITIES *cont'd*

7. Code of Ethics and Conduct *cont'd*

Handling of Reported Allegation(s)

The AC is responsible for the interpretation and supervision of the enforcement of the Code. The action to be taken by the Group in response to a report of concern under the Code will depend on the nature of the concern. The AC upon receiving the information on each report of concern shall ensure that follow-up actions be taken accordingly.

The Code is available for viewing under the “Investor Relations” section of the Company’s corporate website at www.scestatebuilder.com.my.

8. Whistleblowing procedures

The Board has adopted a Whistleblowing Policy which allows an employee/officer or stakeholder to report or disclose through established channels, the concerns about any violations of the Code, unethical behaviour, and wrong doings he may observe in the Group.

The AC has been tasked with the review of whistleblowing reports either made through the Company following established communication and feedback channels or through any other means.

The Whistleblowing Policy is available for viewing under the “Investor Relations” section of the Company’s corporate website at www.scestatebuilder.com.my.

9. Anti-Bribery and Corruption Policy

The Government of Malaysia had announced the implementation of the Corporate Liability Provision involving commercial organisations under Section 17A of the Malaysian Anti-Corruption Act 2009, effective 1 June 2020. This new provision encourages commercial organisations to take appropriate and parallel steps to ensure businesses are conducted with integrity and without corruption. The Board had on 30 May 2020 adopted an Anti-Bribery and Corruption Policy which provides principles, guidelines and requirements on how to deal with corrupt and bribery practices that may arise in the course of daily business and operation activities within the Group.

The aforesaid Anti-Bribery and Corruption Policy is available at the Company’s corporate website at www.scestatebuilder.com.my.

II. BOARD COMPOSITION

Intended Outcome 4.0

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

10. Size and composition of the Board

For FYE 2021, the Board comprises nine (9) members, two (2) of whom are INEDs, three (3) of whom are NINEDs, three (3) of whom are executive directors and one (1) Chairman of the Board and Managing Director. On 4 August 2021, the Company appointed additional two (2) INEDs which was then in compliance with Rule 15.02(1) of the ACE LR. The Board comprises eleven (11) members as at the LPD.

The current Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. The composition of the Board provides an effective blend of entrepreneurship, business and professional expertise in general management, finance, corporate affairs, legal and technical areas of the industry in which the Group operates. The individuality and vast experience of the Directors in arriving at collective decisions at Board level will ensure impartiality.

11. Tenure of Independent Directors

The NC assessed the independence of the INEDs and monitors their tenure annually.

None of the Independent Directors has exceeded the tenure of a cumulative term of nine (9) years in the Company as at the LPD. At present, the Group does not have a formal policy to limit the tenure of independent director to nine (9) years. However, the Board is mindful of the recommendation in the MCCG to ensure effectiveness of Independent Directors.

12. Procedures for appointment of Directors and Senior Management

The NC is responsible to identify and select potential new Directors and to make recommendations to the Board for the appointment of Directors.

The NC has adopted the following protocol for appointment of Directors in order to ensure that the Board has the right mix and skill to meet its needs and objectives:-

Stage 1 Review of the potential candidate based on the following criteria:-	Stage 2 Board Gaps Review	Stage 3 Recommendation to the Board
<ul style="list-style-type: none"> • qualifications; • skills and competence; • functional knowledge; • experience; • character; • gender diversity; • integrity and professionalism; and • time commitment. 	<ul style="list-style-type: none"> • the overall composition of the Board; • combination of skills of existing Directors; and • any regulatory requirements and/or best practices available. 	<ul style="list-style-type: none"> • Recommendation to be submitted to the Board for consideration and approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

12. Procedures for appointment of Directors and Senior Management *cont'd*

Identification of candidates for the appointment of Directors is facilitated through recommendations from the Directors, Management or external parties including the Company's contacts in related industries, finance, legal and accounting professions.

During the financial year under review, the following new Directors were appointed to the Board. The NC had run through the protocol as provided above to evaluate the suitability for the appointment of following new Directors, prior to making recommendation to the Board for consideration:-

Name	Directorate	Date of Appointment
Ms. Kuay Jeaneve	Executive Deputy Chairperson	30 July 2021
Mr. Chee Jun Ann	Executive Director	30 July 2021
Ms. Kuay Jen Nie	Executive Director	30 July 2021
Ms. Josipinna Binti Pudun	INED	30 July 2021
Mr. Loo Tze Ming	INED	30 July 2021

Subsequent on 4 August 2021, Mr. Soo Ting Hooi and Ms. Chan Wei Xi were appointment as INEDs to the Board. The NC had also run through the same protocol as provided to evaluate the suitability for the appointment of Ms. Chan Wei Xi and Mr. Soo Ting Hooi, prior to making recommendation to the Board for consideration.

There were no new key senior management personnel being appointed to the Company and Group during FYE 2021.

13. Boardroom diversity

An appointment to the Board is a long-term commitment to the Company as a truly diversified Board can enhance its effectiveness and capacity with diversity of thoughts and perspectives. The Board ensures that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education, physical ability or geographic region, during the recruitment of new Board members.

As at the date of this Annual Report, the diversity in the race/ethnicity of the existing Directors and Senior Management are as follows:-

Number	Ethnicity			Age Group				Gender	
	Malay	Chinese	Others	21 - 30	31 - 40	41 - 50	61 - 70	Male	Female
Directors	-	8	3	4	6	1	0	5	6
Senior Management [^]	-	1	-	1	-	-	-	1	-

Note:

[^] Chairman and Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

13. Boardroom diversity *cont'd*

Despite the Board not having any formalised Board Diversity Policy or Gender Diversity Policy, the Board has indicated its commitment to boardroom diversity by the appointments with age and gender diversity.

14. Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist in discharging its fiduciary duties. All the Board Committees operate within clearly defined TOR:

- **NC**

As at the date of this Annual Report, the NC comprises majority of INEDs and the composition of the NC is as follows:-

Name	Designation	Directorate
Josipinna Binti Pudun (Appointed w.e.f. 30 July 2021)	Chairperson	INED
Loh Shy Tyug (Appointed w.e.f. 30 July 2021)	Member	NINED
Loo Tze Ming (Appointed w.e.f. 30 July 2021)	Member	INED
Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	Member	INED
Chan Wei Xi (Appointed w.e.f. 4 August 2021)	Member	INED
Loh Boon Zheng (Resigned w.e.f. 30 July 2021)	Member	NINED
Loh Shy Ming (Resigned w.e.f. 30 July 2021)	Member	NINED

The NC is governed by its TOR of NC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investor Relation" section of the Company's corporate website at www.scestatebuilder.com.my.

a) Summary of Works

The following works were undertaken by the NC during FYE 2021:-

- Reviewed and confirmed the Minutes of the NC meetings;
- Examined the composition of the Board;
- Reviewed the required mix of skills, experience and other qualities of the Board;
- Evaluated the contribution and performance of each individual Director;
- Conducted evaluation to assess the effectiveness of the Board as a whole and the Board Committees;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

- a) **Summary of Works** *cont'd*

- (vi) Reviewed the term of office of the AC and assessed its effectiveness as a whole;
 - (vii) Reviewed the training programmes attended by the Directors in FYE 2021 and identified the training needs of the Directors for FYE 2022;
 - (viii) Reviewed the independence of the INEDs and assessed their ability to bring independent and objective judgement to Board deliberations and proposals.
 - (ix) Assessed the suitability for the re-election of the Directors who will be retiring at the forthcoming AGM of the Company and recommended the same to the Board for approval;
 - (x) Reviewed the meeting attendance of the Board and Board Committees in FYE 2021;
 - (xi) Evaluated the suitability of the candidate for appointment to the Board and recommended his appointment as Director to the Board for consideration; and
 - (xii) Reviewed the length of service of each Independent Non-Executive Director pursuant to Practice 4.2 of the Code and to assess the independence of the INEDs.

- b) **Time Commitment by Directors**

The NC has been tasked to review the meeting attendance of the Board and Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

b) Time Commitment by Directors *cont'd*

The meeting attendance of the Board and Board Committees during FYE 2021 is as follows:-

Board of Directors' Meeting

Name of Directors	Number of Board of Directors' Meetings Attended/Held (during FYE 2021)	%
Loh Boon Ginn	6/6	100.00
Loh Boon Zheng	6/6	100.00
Loh Shy Tyug	6/6	100.00
Loh Shy Ming	6/6	100.00
Ooi Bee Chin (Resigned w.e.f. 30 July 2021)	6/6	100.00
Kuay Jeaneve (Appointed w.e.f. 30 July 2021)	N/A	N/A
Chee Jun Ann (Appointed w.e.f. 30 July 2021)	N/A	N/A
Kuay Jen Nie (Appointed w.e.f. 30 July 2021)	N/A	N/A
Josipinna Binti Pudun (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loo Tze Ming (Appointed w.e.f. 30 July 2021)	N/A	N/A
Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Chan Wei Xi (Appointed w.e.f. 4 August 2021)	N/A	N/A

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

b) Time Commitment by Directors *cont'd*

NC Meeting

Name of Directors	Number of NC Meeting Attended/Held (during FYE 2021)	%
Josipinna Binti Pudun (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loh Shy Tyug (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loo Tze Ming (Appointed w.e.f. 30 July 2021)	N/A	N/A
Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Chan Wei Xi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Loh Boon Zheng (Resigned w.e.f. 30 July 2021)	1/1	100.00
Loh Shy Ming (Resigned w.e.f. 30 July 2021)	1/1	100.00
Ooi Bee Chin (Resigned w.e.f. 30 July 2021)	1/1	100.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

b) Time Commitment by Directors *cont'd*

RC Meeting

Name of Directors	Number of RC Meeting Attended/Held (during FYE 2021)	%
Josipinna Binti Pudun (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loh Shy Tyug (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loo Tze Ming (Appointed w.e.f. 30 July 2021)	N/A	N/A
Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Chan Wei Xi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Loh Boon Zheng (Resigned w.e.f. 30 July 2021)	NIL	NIL
Loh Shy Ming (Resigned w.e.f. 30 July 2021)	NIL	NIL
Ooi Bee Chin (Resigned w.e.f. 30 July 2021)	NIL	NIL

RMC Meeting

Name of Directors	Number of RMC Meeting Attended/Held (during FYE 2021)	%
Josipinna Binti Pudun (Appointed w.e.f. 30 July 2021)	N/A	N/A
Loh Shy Tyug	4/4	100.00
Loo Tze Ming (Appointed w.e.f. 30 July 2021)	N/A	N/A
Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Chan Wei Xi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Loh Boon Zheng (Resigned w.e.f. 30 July 2021)	4/4	100.00
Ooi Bee Chin (Resigned w.e.f. 30 July 2021)	4/4	100.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

b) Time Commitment by Directors *cont'd*

The attendance of AC Meetings held during FYE 2021 is stated in the *AC Report* in this Annual Report.

The NC meets at least once in each financial year and additional meetings may be arranged at any time when necessary.

Upon review, the NC noted the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee Meetings for the FYE 2021.

c) Continuing Education and Training of Directors

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

The Board has cultivated the following best practices:-

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme as prescribed by the Listing Requirements within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve; and
- The Directors are briefed by the Company Secretaries on the letters issued by Bursa Securities at every Board Meeting.

All members of the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **NC** *cont'd*

c) Continuing Education and Training of Directors *cont'd*

Based on the training needs identified by the NC for the Directors for FYE 2021, the Directors had participated in the following training programmes:-

Dates	Description of Training Programmes
Mr. Loh Boon Zheng	
23 February 2021	Transfer Pricing – What is transfer pricing and its compliance requirement
Ms. Loh Shy Tyug	
9 September 2020	Pearson Webinar - Evidence-Based Strategies to keep your learners motivated and engaged while studying online
Ms. Loh Shy Ming	
30 November 2020	Dismissal, layoffs and staff issues

In addition, the Company Secretaries and External Auditors update the Board on a regular basis the respective changes and amendments to regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

2022 Training Needs

The NC has encouraged the Directors to attend more than one (1) continuing education programme in year 2022, whereby it should be in relation to the Listing Requirements, Companies Act 2016 or corporate governance related topics.

- **RC**

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2021 are stated in **Principle A, Section II Paragraph (17)** of this Statement.

- **AC**

The membership, a summary of the activities of the AC and Internal Audit Function and Activities in respect of the FYE 2021 are stated in the *AC Report* of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

14. Board Committees *cont'd*

- **RMC**

The membership of the RMC and their principal duties and responsibilities are stated in the *Statement on Risk Management and Internal Control* of this Annual Report.

Intended Outcome 5.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

15. Annual Assessment on Effectiveness of Board and Individual Directors

In compliance with Practice 5.1 of the MCCG, the Board has delegated to the NC to carry out annual assessment on effectiveness of the Board, its Committees and each individual Director.

In FYE 2021, the Board, through the NC, has conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 2021:-

- (i) Directors' self and peer's performance evaluation
- (ii) Evaluation on the effectiveness of the Board and Committees

16. Annual Assessment on Independence of Directors

The Board, through the NC, carried out an annual assessment of the independence of the INEDs based on the definition in Rule 1.01 of the Listing Requirements and whether the INEDs are able to provide objective and independent views on various issues dealt with at Board and Board Committee level during FYE 2021.

The NC has received assurance from the following INEDs vide their Letters of Declaration, confirming their independence and have undertaken to inform the Company immediately should there be any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Company:-

- Ms. Josipinna Binti Pudun
- Mr. Loo Tze Ming
- Mr. Soo Ting Hooi
- Ms. Chan Wei Xi

The Board is satisfied with the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company which is to provide objective and independent views on various issues dealt with at the Board and Board Committee level. The current composition of Independent Directors fairly reflects the interest of minority shareholders in the Company through the Board representation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

16. Annual Assessment on Independence of Directors *cont'd*

Intended Outcome 6.0

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

17. Remuneration Committee

The members of the RC comprises majority of INEDs and the composition of the RC is as follows:-

Name	Designation	Directorate
Josipinna Binti Pudun <i>(Appointed w.e.f. 30 July 2021)</i>	Chairperson	INED
Loh Shy Tyug <i>(Appointed w.e.f. 30 July 2021)</i>	Member	NINED
Loo Tze Ming <i>(Appointed w.e.f. 30 July 2021)</i>	Member	INED
Soo Ting Hooi <i>(Appointed w.e.f. 4 August 2021)</i>	Member	INED
Chan Wei Xi <i>(Appointed w.e.f. 4 August 2021)</i>	Member	INED
Loh Boon Zheng <i>(Resigned w.e.f. 30 July 2021)</i>	Member	NINED
Loh Shy Ming <i>(Resigned w.e.f. 30 July 2021)</i>	Member	NINED
Ooi Bee Chin <i>(Resigned w.e.f. 30 July 2021)</i>	Member	INED

The RC is governed by its TOR of RC which outlines its remit, duties and responsibilities and the same is available for viewing under the "Investor Relations" section of the Company's corporate website at www.scestatebuilder.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

17. Remuneration Committee *cont'd*

Summary of Works

The following works were undertaken by the RC during the financial year under review:-

- (i) Reviewed and confirmed the Minutes of the RC Meetings;
- (ii) Deliberated on the remuneration packages of the Managing Director for FYE 2021 and recommended the same to the Board for approval;
- (iii) Reviewed the Directors' fees payable to the Directors of the Company and the Group for the FYE 2022 and recommended the same to the Board for consideration;
- (iv) Reviewed the benefits payable to the Directors of the Company for the period from the day after the Seventeenth Annual General Meeting of the Company in year 2021 until the next Annual General Meeting of the Company to be held in year 2022 and recommended the estimated quantum to the Board for consideration; and
- (v) Reviewed the meeting allowances of the Directors of the Company for the FYE 2022 and recommended the same for the Board for approval.

18. Directors' Remuneration Policy

In compliance with Practice 6.1 of the MCCG, the Board has adopted a Directors' Remuneration Policy which sets out the criteria to be used in recommending a remuneration package that commensurate with the responsibilities of Executive Directors and Senior Management.

A copy of the updated Directors' Remuneration Policy is available for viewing under the "Investor Relation" section of the Company's corporate website at www.scestatebuilder.com.my.

It is the existing practice of the Company that all the Directors to abstain from deliberation and voting on fixing their own remuneration package or Directors' fees.

Intended Outcome 7.0

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

19. Remuneration of Directors

For the FYE 2021, the aggregate of remuneration received and receivable by the Executive Directors and Non-Executive Directors of the Company and the Group categorised into appropriate components are as follows:-

Received from the Company

Name of Director	Salaries RM	Fees RM	Benefits- in-kind RM	Others RM	Total RM
Executive Directors					
Loh Boon Ginn	-	-	-	14,000	14,000
Kuay Jeaneve <i>(Appointed w.e.f 30 July 2021)</i>	-	-	-	-	-
Chee Jun Ann <i>(Appointed w.e.f 30 July 2021)</i>	-	-	-	-	-
Kuay Jen Nie <i>(Appointed w.e.f 30 July 2021)</i>	-	-	-	-	-
Non-Executive Directors					
Loh Boon Zheng	-	18,000	-	14,000	32,000
Loh Shy Tyug	-	18,000	-	14,000	32,000
Loh Shy Ming	-	18,000	-	14,000	32,000
Ooi Bee Chin <i>(Resigned w.e.f 30 July 2021)</i>	-	21,518	-	14,000	35,518
Josipinna Binti Pudun <i>(Appointed w.e.f 30 July 2021)</i>	-	-	-	-	-
Loo Tze Ming <i>(Appointed w.e.f 30 July 2021)</i>	-	-	-	-	-
Soo Ting Hooi <i>(Appointed w.e.f 4 August 2021)</i>	N/A	N/A	N/A	N/A	N/A
Chan Wei Xi <i>(Appointed w.e.f 4 August 2021)</i>	N/A	N/A	N/A	N/A	N/A
Total	-	75,518	-	70,000	145,518

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

II. BOARD COMPOSITION *cont'd*

19. Remuneration of Directors *cont'd*

Received on Group Basis

Name of Director	Salaries RM	Fees RM	Benefits- in-kind RM	Others RM	Total RM
Loh Boon Ginn	403,200	-	120,000	-	523,200
Loh Shy Ming	-	-	-	-	-
Total	403,200	-	120,000	-	523,200

Note: Salary includes bonus and EPF

20. Remuneration of Top Five (5) Senior Management

During FYE 2021, the Senior Management only consists of two (2) management personnel including the Chairman and Managing Director of the Company (of which his detailed remuneration has been disclosed as above and under Practice 7.1 of the CG Report).

The range of the remuneration of the top one Senior Management, by band of RM50,000/- is as follows:-

Range of remuneration	Number of Senior Management
RM250,001 – RM300,000	1
RM400,001 – RM450,000	1
Total	2

Whilst for the remaining senior management, the Board is of that view that such disclosure by named basis would have adverse effect on the Company's talent retention in the competitive industry. All senior management are remunerated based on their scope of duty and responsibilities, the Group's and individual performance and other criteria as guided by the Directors' Remuneration Policy.

The RC is of the view that the level of remuneration package of the top two (2) senior management in respect of FYE 2021 is fair and reasonable to retain and reward the talents.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 8.0

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

21. Separation of the positions of the chair of the AC and Board

In compliance with Practice 8.1 of the MCCG, the AC is chaired by Ms. Josipinna Binti Pudun, and the Chairman and Managing Director of the Board is Mr. Loh Boon Ginn.

22. No appointment of former key audit partners as member of AC

In compliance with Practice 8.2 of the MCCG, the AC has instituted a policy by way of inclusion in the TOR of the AC that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC. The TOR of the AC has been updated accordingly in order for the AC to formalise such policy.

For FYE 2021, there were no Board members who were former key audit partners of the Group.

As a matter of practice, the AC has recommended to the NC not to consider any former key audit partner as a potential candidate for Board directorship/AC member to affirm the AC's stand on such policy.

23. Assessment on external auditors

The AC had formalised policies and procedures to assess the suitability, objectivity and independence of external auditors annually. The outcome of the assessment would form a basis for the AC in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.

During FYE 2021, the AC has carried out the annual assessment and noted that for the FYE 2020, Messrs. Ong & Wong, the external auditors of the Company had confirmed in writing that the engagement quality control reviewer and members of the engagement team in the course of their audits were and had been independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.

Upon completion of its assessment, the AC was satisfied with Messrs. Ong & Wong's technical competency i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Ong & Wong as external auditors for the FYE 2022. However, Messrs. Ong & Wong has expressed their intention of not seeking for re-appointment as auditors at the forthcoming 17th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

I. AUDIT COMMITTEE *cont'd*

24. Skillsets of AC

The AC conducts self and peer evaluation annually to assess the performance and skillsets of the individual AC members and their peers.

During FYE 2021, the AC members had completed the assessment on individual basis and the results were compiled by the company secretaries and tabled for the AC's review.

Based on the results of the assessment, the AC members are financially literate and understand the Group's business. The AC as a whole, has necessary skills and knowledge to discharge their duties.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 9.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

25. Risk Management and Internal Control Framework

In compliance with Practice 9.1 of the MCCG, the Board has established a framework for risk management and internal control. Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework have been disclosed in the **Statement of Risk Management and Internal Control** of this Annual Report.

During FYE 2021, the risk management and internal control functions were assumed and overseen by the RMC and the AC respectively.

Risk Management

The Risk Officer is responsible for implementing processes in identifying, evaluating, monitoring and reporting of risks and internal controls which arise from daily business activities of the Group. The risk profile covering risk assessment, classification and risk ranking followed by action plans taken to mitigate the risks identified are then presented to the RMC for review on a quarterly basis. The Risk Officer together with the management ensure timely resolution of outstanding issues and implementation of action plans that are to be carried out and completed within the reasonable timeframe to mitigate the risks level.

Risk Management Committee

In adopting the Step-Up Practice 9.3 of the MCCG, the composition of RMC comprises a majority of Independent Directors, to oversee the company's risk management framework and policies.

The memberships of the RMC are stated in the *Statement on Risk Management and Internal Control* of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK *cont'd*

25. Risk Management and Internal Control Framework *cont'd*

Internal Controls

The internal controls are tested for effectiveness and efficiency in two (2) cycles per financial year by an independent outsourced internal audit function following risk-based approaches. The report of the internal audit is tabled for the AC's review and deliberations, and the audit findings will then be communicated to the Board.

For the FYE 2021, the Board opined that the risk management and internal controls of the Group were effective and adequate.

26. Key Features of Risk Management and Internal Control Framework

The *Statement on Risk Management and Internal Control* as set out in this Annual Report provides an overview of the state and features of risk management framework and internal control processes within the Group.

Intended Outcome 10.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

27. Internal Audit Function

The Group's internal audit has been outsourced to an independent service provider i.e. Vaersa Advisory Sdn. Bhd. ("**Vaersa**") to carry out the internal audit function. The outsourced internal auditors report directly to the AC and provide the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

The internal audit review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

During FYE 2021, the AC had reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work.

Further details of the Internal Audit Function have been disclosed under the AC Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

28. Continuous Communication between the Company and Stakeholders

The Board has developed internal corporate disclosure practices to ensure effective communications to the investing public of which only the designated authorised spokesmen will disseminate information regarding the business, operations and financial performance of the Group to the stakeholders, to ensure the consistency and accuracy of the information.

The Board has designated a limited number of spokespersons who are responsible for communication with investment community, regulators and media.

Primary Spokesmen:-

- (i) Chairman of the Board and Managing Director; or failing which,
- (ii) Executive Deputy Chairperson.

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 12.0

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

29. Engagement of the Board with the Shareholders

The AGM is used as the main forum of dialogue for shareholders to raise any issues pertaining to the Company. As a good corporate governance practice, the Notice of the Seventeenth AGM is issued at least 28 days prior to the meeting.

All the members of the Board and Chairmen of the Board Committees will be present at the AGM to address the shareholders' enquiry and concerns.

The explanatory notes to the Notice of AGM also provide detailed explanation for better understanding on each resolution proposed to enable shareholders to make informed and proper decisions in exercising their voting rights.

In line with Rule 8.31A of the ACE LR on the requirement for poll voting for any resolution set out in the notice of general meetings, at the Sixteenth AGM held last year, poll voting was used to facilitate the voting process for resolutions tabled. An independent scrutineer was also appointed to scrutinise the polling process.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

cont'd

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to FYE 2022 and 2023, the Board and its respective Board Committees will:-

- Focus on major strategic issues to ensure sustainability and growth;
- Continue to review the balance, experience and skills of the Board;
- Monitor and strengthen the risk management framework and internal control; and
- To work with and guide Management to ensure the safety and health of the Group's employees during this COVID-19 pandemic.

CONCLUSION

The Board is satisfied that the Company complies substantially with the practices of the MCCG during the FYE 2021 and up to LPD.

This CG Overview Statement and the CG Report are made in accordance with the resolution passed by the Directors on 23 November 2021.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Rule 9.25 of the ACE LR as set out in Appendix 9C thereto:-

1. UTILISATION OF PROCEEDS

The Company had obtained the approval from its shareholders at the last Annual General Meeting convened on 30 December 2020, whereby pursuant to the Act, the Board has been authorised to allot and issue new SCBUILD/0109 shares provided that the number of new SCBUILD/0109 shares to be issued does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) for the time being, and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

The Company had on the following dates announced private placements totalling 116,000,000 new ordinary shares (“**Placement Shares**”) (“**Private Placement**”) and the listing of and quotation for the said ordinary shares were approved by Bursa Securities:-

Date of Announcement	Number of new placement shares	Issue Price per share (RM)	Gross Proceeds Raised (RM)
1 March 2021	80,000,000	0.05	4,000,000
10 June 2021	6,000,000	0.07812	468,720
30 July 2021	15,000,000	0.072	1,080,000
6 August 2021	15,000,000	0.0675	1,012,500
Total			6,561,220

The Proposed Private Placement had raised a total gross proceeds of approximately RM6.561 million and the proceeds are intended to be utilised by the Group mainly for financing the working capital.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

During the financial year under review, the Group has not entered into any recurrent related party transactions of a revenue or trading nature.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

3. AUDIT AND NON-AUDIT SERVICES

For the FYE 2021, Messrs. Ong & Wong, the external auditors have rendered certain audit and non-audit services to the Group, a breakdown of which is listed as below for information:-

	Company (RM)	Group (RM)
Audit services rendered		
Statutory audit in respect of the FYE 2021	52,000	83,000
Non-audit services rendered		
Review of the Statement on Risk Management and Internal Control for Annual Report 2021	3,000	3,000
Total	55,000	86,000

4. MATERIAL CONTRACTS

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

AUDIT COMMITTEE REPORT

The Board presents the Audit Committee Report to provide insights on the discharge of the Audit Committee's functions during the FYE 2021, in compliance with Rule 15.15(1) of the ACE LR as well as the MCGG.

COMPOSITION

The Audit Committee comprises five (5) members, majority of whom are INEDs and complied with the requirements of Paragraph 15.09(1)(a) and (b) of the ACE LR. The INEDs satisfied the test of independence under the ACE LR and also met the requirements of the MCGG. In accordance with Rule 15.09(2) of the ACE LR, no alternate Director is appointed as a member of the Audit Committee.

The current composition of the Audit Committee is as follows:

Name	Designation	Directorship
Josipinna Binti Pudun (Appointed w.e.f 30 July 2021)	Chairperson	INED
Loh Boon Zheng	Member	NINED
Loo Tze Ming (Appointed w.e.f 30 July 2021)	Member	INED
Chan Wei Xi (Appointed w.e.f 4 August 2021)	Member	INED
Soo Ting Hooi (Appointed w.e.f 4 August 2021)	Member	INED
Ooi Bee Chin (Resigned w.e.f 30 July 2021)	Chairperson	INED

The Chairperson of the Audit Committee, Ms. Josipinna Binti Pudun is an INED. In this respect, the Company complies with Rule 15.10 of the ACE LR. Furthermore, in compliance with Practice 8.1 of the MCGG, the Chairperson of the Audit Committee is not the Chairman of the Board.

Mr. Loh Boon Zheng is the member of the Malaysian Institute of Accountants. In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR.

Assessment on the Term of Office and Performance of the Audit Committee

The Nomination Committee had on 29 September 2021, reviewed the term of office and performance of the Audit Committee to determine whether its members have carried out their duties in accordance with the TOR of Audit Committee for the FYE 2021.

Upon review, the Nomination Committee was satisfied with the overall performance of the Audit Committee and its individual members for FYE 2021. The Nomination Committee had reported its satisfaction to the Board of Directors for notation.

Formal assessment on the External Auditors

In compliance with Practice 8.3 of the MCGG, the Audit Committee has established policies and procedures to assess the suitability, objectivity and independence of the external auditors on annual basis, prior to making their recommendation to the Board of Directors whether to seek shareholders' approval at the forthcoming AGM for the re-appointment of external auditors for the ensuing year.

AUDIT COMMITTEE REPORT

cont'd

COMPOSITION *cont'd*

Formal assessment on the External Auditors cont'd

Upon completion of its assessment, the Audit Committee was satisfied with the services rendered by Messrs. Ong & Wong and their technical competency i.e. effectiveness, suitability and independence during the FYE 2021 and recommended to the Board the re-appointment of Messrs. Ong & Wong as external auditors for the FYE 2022. However, Messrs. Ong & Wong has expressed their intention of not seeking for re-appointment as auditors at the forthcoming 17th AGM.

MEETINGS AND ATTENDANCES

The Audit Committee meets at least four (4) times annually. During the FYE 2021, the Audit Committee held a total of five (5) meetings and the details of attendance of the members during the financial year were as follows:-

Members	Total no. of meeting attended	Percentage of Attendance (%)
Mr. Loh Boon Zheng	5/5	100.00
Ms. Loh Shy Ming (Resigned w.e.f. 30 July 2021)	5/5	100.00
Ms. Ooi Bee Chin (Resigned w.e.f. 30 July 2021)	5/5	100.00
Ms. Josipinna Binti Pudun (Chairperson) (Appointed w.e.f. 30 July 2021)	N/A	N/A
Mr. Loo Tze Ming (Appointed w.e.f. 30 July 2021)	N/A	N/A
Mr. Soo Ting Hooi (Appointed w.e.f. 4 August 2021)	N/A	N/A
Ms. Chan Wei Xi (Appointed w.e.f. 4 August 2021)	N/A	N/A

For the FYE 2021, the Audit Committee Meetings were held as follows:-

No.	Audit Committee Meeting Date	Private session with the External Auditors without Executive Directors and Management
(1)	29 September 2020	√
(2)	9 November 2020	-
(3)	23 December 2020	-
(4)	24 March 2021	-
(5)	23 July 2021	-

AUDIT COMMITTEE REPORT

cont'd

MEETINGS AND ATTENDANCES *cont'd*

The external auditors were encouraged to raise with the Audit Committee any matters they considered important to bring to the Audit Committee's attention. For the FYE 2021, one (1) private session was held between the Audit Committee and the external auditors i.e. Messrs. Ong & Wong, without the presence of the Executive Board member and Management personnel. The lead audit partner of the external auditors responsible for the Group attended three (3) Audit Committee Meetings held in the FYE 2021.

The Audit Committee also sought information on the communication flow between the external auditors and the Management which is necessary to allow unrestricted access to information for the external auditors to effectively perform their duties. For the FYE 2021, the External Auditors confirmed to the Audit Committee that there were neither restrictive nor non-co-operative behaviour exhibited by the Management during the course of their audit.

Notices of the Audit Committee Meetings were sent to the Audit Committee members in advance. Upon that, the Company Secretaries will then compile the relevant meeting papers for dissemination to the Audit Committee by email prior to the meeting date to enable the Audit Committee Members to peruse and provide their feedbacks/comments at the meeting.

All deliberations during the Audit Committee Meetings were duly minuted. Minutes of the Audit Committee Meetings were tabled for confirmation at every succeeding Audit Committee Meeting.

The Chairperson of the Audit Committee or in his/her absence, the Chairperson presented the Audit Committee's recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairperson of the Audit Committee or in his/her absence, the Chairperson would convey to the Board, matters of significant concerns raised by the internal or external auditors. At every Audit Committee quarterly meeting, the Committee also reviewed the significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions at the Audit Committee quarterly meetings.

TOR

The TOR of the Audit Committee was last reviewed by the Audit Committee and adopted by the Board of Directors on 30 April 2018, which is in line with the ACE LR and MCCG.

A copy of the latest TOR of the Audit Committee is available for viewing under "Investors Relations" section of the Company's website at www.scestatebuilder.com.my.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS

During the FYE 2021, the summary of works undertaken by the Audit Committee comprised the following:-

1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 July 2020, 31 October 2020, 31 January 2021 and 30 April 2021 and recommended the same to the Board of Directors for approval.
- Reviewed the annual budget of the Group for FYE 2021 and deliberated on the assumptions made in preparing the annual budget, and recommended the same to the Board of Directors for approval and adoption.
- Reviewed the financial performance and financial highlights of the Group on quarterly basis.
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR which took effect on 1 July 2016.
- Reviewed the draft audited financial statements for the financial year ended 31 July 2020 and recommended the same to the Board of Directors for approval.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.
- Reviewed the budget variance report of the Group.

2. Oversight of External Auditors

- Received the Audit Review Memorandum prepared by the external auditors for FYE 2021, covering significant audit findings and status of audit for the Group.
- Met one (1) time with the external auditors without the presence of the Executive Director and Management of the Company.
- Reviewed the effectiveness, suitability and independence of the external auditors vide a formalised "Assessment on External Auditors" and upon reviewed and being satisfied with the results of the said assessment, the same has been recommended to the Board of Directors for approval.
- Discussed and reviewed with the external auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FYE 2021, including any significant issues and concerns arising from the audit.
- Reviewed the audit and non-audit fees payable to the external auditors for the FYE 2021 to ensure the level of non-audit services rendered by the external auditors would not impair their independence, prior to tabling to the Board of Directors for approval.
- Received updates on the Malaysian Financial Reporting Standards by the external auditors.

AUDIT COMMITTEE REPORT

cont'd

SUMMARY OF WORKS *cont'd*

3. Oversight of Internal Audit Function

- Reviewed the Internal Audit Reports for FYE 2021 and assessed the internal auditors' findings and Management's responses and made the necessary recommendations to the Board of Directors for approval.
- Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports.
- Reviewed the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities for the FYE 2021.
- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors for the FYE 2021 and that they have the necessary authority to carry out their work.

4. Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the Audit Committee Meetings.
- Reviewed the disclosures in Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2021.

5. Review of Related Party Transactions

- Reviewed the related party transactions and conflict of interest situation that arise within the Group on quarterly basis, including any transaction, procedure or course of conduct that raises questions on Management's integrity.

The Board is satisfied that the Audit Committee has carried out their responsibilities and duties in accordance with the Audit Committee's TOR.

INTERNAL AUDIT FUNCTION

(1) Appointment

The Group has appointed an outsourced internal audit service provider, Vaersa Advisory Sdn. Bhd. ("**Vaersa**") to carry out the internal audit function. The outsourced internal auditors report directly to the Audit Committee, providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the Audit Committee, assurance of the effectiveness of the system of internal control in the Group.

The purpose of the internal audit function is to provide the Board, through the Audit Committee, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.

For the FYE 2021, Vaersa's engagement team personnel have affirmed to the Audit Committee that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

AUDIT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION *cont'd*

(2) Summary of Works of the Internal Audit Function for FYE 2021

During the FYE 2021, the summary of works undertaken by the internal auditors comprised the following:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- The internal audit function met the objective of highlighting to the Audit Committee the audit findings which required follow-up actions by the Management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management; and
- Presentation of audit findings and corrective actions to be taken by Management in the quarterly Audit Committee Meetings.

For the FYE 2021, the following areas of the Group had been successfully audited by the internal auditors in accordance with the risk-based audit plan adopted:-

Audited Entity	Audit Area/Function	Tabling of Internal Audit Report
SCBUILD/0109	Review of Corporate Governance	September 2020
SCBUILD/0109	Review of Enterprise Risk Management	March 2021

(3) Internal Audit Function Review

On a yearly basis, the ARC would conduct an internal audit function review in order to assess the adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities. ("**IA Review**").

The IA Review has been conducted by the Audit Committee on 29 September 2021. Upon review, the Audit Committee was satisfied with the performance and conduct of Vaersa.

(4) Total Costs Incurred for FYE 2021

The total cost incurred for the outsourced internal audit function of the Group for the FYE 2021 is amounted to RM11,000/- (FYE 2020: RM12,000/-).

This Audit Committee Report is approved by the Board of Directors on 18 November 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**the Board**”) is pleased to present the Statement on Risk Management and Internal Control (“**SORMIC**”) which is made pursuant to Rule 15.26(b) of the ACE LR and in accordance with Part II of Principle B, Intended Outcome 9.0, Practices 9.1 and 9.2 and Guidance 9.1 and 9.2 relating to risk management and internal controls framework provided in the MCCG as well as the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The following statements outline the scope and nature of internal control system of the Group during the FYE 2021.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsibility for safeguarding the shareholders’ investment and assets of the Group by implementing and maintaining a sound and effective risk management framework and internal control system.

The Board endeavours to fulfil its objectives vide an effective and efficient governance, risk management, financial, organisational, operational and compliance control. It is committed to provide a system that gives reasonable, though not absolute assurance against the occurrence of any material misstatements or losses, infringement against the laws or regulations or fraud.

For the FYE 2021, the Board having assessed and reviewed the effectiveness, integrity and adequacy of the risk management framework and the internal control system of the Group, had implemented several improvements to the risk management framework and the internal control system of the Group.

KEY FEATURES OF THE GROUP’S RISK MANAGEMENT FRAMEWORK

The key features of the risk management framework of the Group established to facilitate proper conduct of the Group’s businesses are outlined as follows:-

A. CONTROL STRUCTURE

Risk Management Committee (“RMC”)

The Board has adopted the Step-Up Practice 9.3 of the MCCG, of which the Board establishes a RMC, which comprises a majority of Independent Directors, to oversee the Company’s risk management framework and policies.

The composition of the RMC is as follows:-

Name	Designation	Directorate/Position
Josipinna Binti Pudun	Chairperson	INED
Loh Shy Tyug	Member	NINED
Loo Tze Ming	Member	INED
Soo Ting Hooi	Member	INED
Chan Wei Xi	Member	INED

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT FRAMEWORK *cont'd*

A. CONTROL STRUCTURE *cont'd*

Risk Management Committee ("RMC") *cont'd*

The principal objective of the formation of the RMC is to assist the Board in reviewing and recommending the risk management policies and strategies for the Company. In addition, the RMC shall assist the Board to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

During the FYE 2021, the RMC held four (4) meetings in September 2020, December 2020, March 2021 and July 2021 respectively.

B. RISK MANAGEMENT FRAMEWORK

Enterprise Risk Management ("ERM") Framework

During the financial year under review, the risk officer was responsible to oversee and conduct updates on the ERM review on the following areas:-

1. Principal risks; and
2. Risk management and mitigation procedures established on the business operation of the Group.

The Board believes that risk management is essential for continued profitability and enhancement of shareholders' value. The Board acknowledges the importance of the risk management system in identifying the principal risks exposed by the Group and ways of managing them at an acceptable level and that subsequently contribute to achieving the corporate goals of the Group.

C. RISK MANAGEMENT ACTIVITIES DURING FYE 2021

During the FYE 2021, the summary of activities carried out in respect of risk management is as follows:-

- Assessed risk matters, monitored implementation of mitigation procedures of the Group to ensure relevance to the Group.
- Reviewed the Management's update on review of ERM and reviewed the broad categories of risks and related sub-risks, and underlying issues of concerns of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

The Group's internal control system consists of the following key processes:-

A. AUTHORITY AND RESPONSIBILITY

Certain responsibilities are delegated to the following Board Committees through clearly defined TOR which are reviewed periodically and/or when the need arises:-

- Audit Committee;
- Nomination Committee;
- Remuneration Committee; and
- Risk Management Committee.

B. INTERNAL AUDIT

Qualified and Independent Internal Auditors

The Group's internal audit has been outsourced to an independent service provider i.e. Vaersa Advisory Sdn. Bhd. ("**Vaersa**") to carry out the internal audit function. Prior to their appointment, the Audit Committee has considered the following criteria:-

- Length of establishment;
- Core specialty area;
- Industry reputation;
- International affiliation;
- Qualification and experience of engagement partner and team; and
- Existing client base.

Risk-Based Internal Audits

For the FYE 2021, Vaersa has prepared a risk-based internal audit plan based on their review of the financial report of the Group and taking into consideration the impact of the different areas of the Group based on materiality of the numbers reported.

Through Vaersa, the effectiveness and efficiency of the Group's risk management and internal control system were examined and evaluated in an independent capacity. Vaersa has assessed the Group's compliance with policies and procedures as well as relevant laws and regulations. Vaersa then provided reports on issues relating to internal controls and the associated risks together with recommendations for appropriate actions to the Audit Committee.

Summary of Works Undertaken by the Internal Auditors

For the FYE 2021, Vaersa had:-

- Carried out their activities in accordance with the scope of work and/or audit plan for FYE 2021.
- Presented their findings with the Audit Committee and recommended corrective actions for the Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM *cont'd*

B. INTERNAL AUDIT *cont'd*

Adequacy of Scope, Functions, Competency and Resources of the Outsourced Internal Audit Functions

In the first quarter of FYE 2021, the Audit Committee had vide its assessment, assessed the adequacy of scope, functions, competency and resources of the outsourced internal audit function and that it has the necessary authority to carry out its work and the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function for the financial year under review.

Based on the collated results of the above said assessment, the Audit Committee was of the view that the internal audit has added value to the Group by providing further assurance relating to risk management and fraud control and assessed the internal auditors' performance as "Adequate".

C. MONITORING AND REPORTING

The Corporate General Manager in charge of the Group's financial affairs is required to give assurance to the Audit Committee that adequate processes and controls are in place in the preparation of each quarterly financial statements, including consolidated condensed financial statements, and that appropriate accounting policies are adopted and applied consistently to give a true and fair view of the state of affairs of the Group and to ensure compliance with the Financial Reporting Standards.

Upon review, the Audit Committee shall inform the Board on the assurance it received from the Corporate General Manager as well as the conclusion it made on the adequacy of processes and controls in place for effective financial reporting and disclosures to be made by the Company.

D. STAFF COMPETENCY

It is part of the Company's policies to ensure provision of constant training and development programmes to ensure that the employees are kept up-to-date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR, the external auditors have reviewed this statement for inclusion in the 2021 Annual Report, in accordance with the Malaysian Approved Standard on Assurance Engagements, International Standard on Audit Engagement ("ISAE") 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the statement factually inaccurate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS *cont'd*

AAPG 3 does not require the external auditors to, and they did not, consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board of Directors and Management thereon. They are also not required to consider whether the process described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board has received assurance from the Corporate General Manager and the Managing Director and Chairman of the Board that the function of the Company's risk management and internal control system for the financial year under review, and up to the date of approval of this statement, has been sound and sufficient, in all material aspects, based on the risk management model and internal control system adopted by the Group, safeguard the shareholders' investments, the interests of customers, regulators, employees and other stakeholders, and the Group's assets.

The Board members acknowledge that they are ultimately responsible for ensuring the proper implementation of appropriate internal control system even though this responsibility has been delegated to the Management.

This SORMIC was approved by the Board on 18 November 2021.

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

In accordance with the Act, the ACE LR and the applicable approved accounting standards, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021, and the financial performance and cash flows of the Group and of the Company for that financial year ended.

The Directors have reviewed the accounting policies to ensure that they are consistently applied throughout the financial year and are of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. In cases where judgements and estimations were made, they were based on reasonableness and prudence. The Directors have also assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records are accurate and reliable.

The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect frauds and any other irregularities.

This statement on Directors' responsibility for preparing the financial statements is approved by the Board of Directors on 18 November 2021.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in Note 5 to the financial statements. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the Company	(1,860,265)	(1,490,506)

DIVIDEND

No dividend has been paid or declared since the end of the previous financial period. The directors do not recommend that a final dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has issued the following shares: -

Date of Issue	No. of Shares Issued	Issue Price	Purpose
10 November 2020	75,000,000	RM 0.0404	For working capital
25 February 2021	80,000,000	RM 0.05	For working capital
8 June 2021	6,000,000	RM 0.0781	For working capital
28 July 2021	15,000,000	RM 0.072	For working capital

The Company did not issue any debentures during the financial year.

SHARE OPTIONS

No option has been granted by the Company to any party during the financial year to take up unissued shares of the Company.

No share has been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. At the end of the financial year, there was no unissued share of the Company under option.

DIRECTORS' REPORT

cont'd

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to date of this report are: -

Loh Boon Ginn *	
Loh Shy Ming	
Loh Boon Zheng	
Loh Shy Tyug	
Chee Jun Ann	<i>(appointed on 30.07.2021)</i>
Josipinna binti Pudun	<i>(appointed on 30.07.2021)</i>
Kuay Jen Nie	<i>(appointed on 30.07.2021)</i>
Kuay Jeaneve	<i>(appointed on 30.07.2021)</i>
Loo Tze Ming	<i>(appointed on 30.07.2021)</i>
Chan Wei Xi	<i>(appointed on 04.08.2021)</i>
Soo Ting Hooi	<i>(appointed on 04.08.2021)</i>
Ooi Bee Chin	<i>(resigned on 30.07.2021)</i>

* *Director of the Company and its subsidiaries*

The retirement and re-election of the directors are in accordance with the Company's Articles of Association.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit *(other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in Note 20 to the financial statements, or the fixed salary of a full-time employee of the Company)* by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares in the Company or its related companies during the financial year are as follows: -

	←----- Number of Ordinary Shares -----→			As at 31.07.2021
	As at 01.08.2020	Bought	Sold	
<u>Indirect interests</u>				
Loh Boon Ginn *	93,314,952	-	-	93,314,952
Loh Shy Ming *	93,314,952	-	-	93,314,952
Loh Shy Tyug #	122,593,648	-	-	122,593,648

* Deemed interest by virtue of substantial shareholdings in SC Estate World Sdn. Bhd.

Deemed interest by virtue of substantial shareholdings in Takzim Empayar Sdn. Bhd.

By virtue of their interests in the shares of the Company, Mr. Loh Boon Ginn, Ms. Loh Shy Ming and Mr. Loh Shy Tyug are deemed to have interests in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

The other directors holding office at the end of the financial year have no interest in shares in the Company or its related corporations during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, there is no indemnity given to or insurance effected for directors, officers and auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps: -

- (a) to ascertain that proper action had been taken in relation to the writing off bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there were no known bad debts and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION *cont'd*

At the date of this report, the directors are not aware of any circumstances: -

- (a) which would require any amount to be written off as bad debts or render the amount provided for as doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist: -

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors: -

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would likely affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

cont'd

AUDITORS

The details of the auditors' remuneration for the financial year are disclosed in *Note 17* to the financial statements.

The auditors, Messrs Ong & Wong, Chartered Accountants, retire at the forthcoming annual general meeting and do not wish to seek re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LOH BOON GINN
Director

LOH SHY MING
Director

Kuala Lumpur,
Date: 18 November 2021

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 87 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and of their financial performance and cash flows for the financial year ended on that date.

Signed in Kuala Lumpur on 18 November 2021

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

LOH BOON GINN LOH SHY MING

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Loh Boon Ginn, being the director primarily responsible for the financial management of SC Estate Builder Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements of the Group and of the Company set out on pages 87 to 128 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared at Seri Kembangan
Selangor Darul Ehsan
on 18 November 2021

Before me

LOH BOON GINN

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of SC Estate Builder Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SC Estate Builder Berhad, which comprise the statements of financial position as at 31 July 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 87 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial statements, which indicates that the Group incurred a net loss of RM1,860,265 during the financial year ended 31 July 2021 and, as of that date, the Group's current liabilities exceeded its current assets by RM1,524,155. As stated in Note 2(a), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT

To the members of SC Estate Builder Berhad

(Incorporated in Malaysia)

cont'd

Revenue recognition of construction contract

Revenue from construction contracts are disclosed in Note 16 to the financial statements. A significant proportion of the Group's revenues and profits are derived from long term construction contracts which span over more than one accounting period.

Revenue is recognised progressively over time based on stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date relative to the estimated total construction costs.

We have identified this as a key audit matter because it required our assessment of the evaluation of the contracts with customers performed by the management and involvement of management's judgement in allocation of transaction price to each performance obligation and the timing of revenue recognition.

Our audit responses:

- Obtained an understanding of the Group's processes, systems and controls implemented for revenue cycle;
- Checked the architect certificate against stage of completion of certain contracts to ascertain the reasonableness of the revenue recognised in the profit or loss;
- Assessed the assumptions in deriving at the estimates contract cost;
- Agreed a sample of costs incurred to date to invoice and/or progress claim, checked that they were allocated to the appropriate contract, and met the definition of contract costs; and
- Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

To the members of SC Estate Builder Berhad

(Incorporated in Malaysia)

cont'd

Revenue recognition of construction contract *cont'd*

Responsibilities of the Directors for the Financial Statements cont'd

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the members of SC Estate Builder Berhad

(Incorporated in Malaysia)

cont'd

Revenue recognition of construction contract *cont'd*

Auditors' Responsibilities for the Audit of the Financial Statements *cont'd*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *cont'd*

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ONG & WONG

AF: 0241

Chartered Accountants

ONG KOON LIANG

2909/02/23 (J)

Chartered Accountant

Kuala Lumpur,

Date: 18 November 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 July 2021

	Note	Group (Restated)		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	39,290,903	22,852,080	69,545	81,565
Investment in subsidiaries	5	-	-	4,000,000	2,000,003
Right-of use asset	6	92,935	170,295	-	-
		<u>39,383,838</u>	<u>23,022,375</u>	<u>4,069,545</u>	<u>2,081,568</u>
CURRENT ASSETS					
Trade receivables	7	398,282	14,102,909	-	-
Other receivables and deposits	8	29,750	47,251	-	1,000
Contract assets	9	12,384	-	-	-
Amount due from subsidiaries	10	-	-	26,485,483	22,982,996
Cash and bank balances	11	1,292,126	171,127	1,071,109	85,959
		<u>1,732,542</u>	<u>14,321,287</u>	<u>27,556,592</u>	<u>23,069,955</u>
CURRENT LIABILITIES					
Trade payables		2,037,935	3,866,189	-	-
Other payables and accruals	12	492,523	849,550	356,081	720,680
Contract liabilities	9	-	20,179	-	-
Lease liabilities	13	94,072	138,346	-	-
Amount due to a director	10	10,454	72,529	1,987	10,868
Provision for taxation		621,713	1,205,887	-	240,000
		<u>3,256,697</u>	<u>6,152,680</u>	<u>358,068</u>	<u>971,548</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,524,155)</u>	<u>8,168,607</u>	<u>27,198,524</u>	<u>22,098,407</u>
		<u>37,859,683</u>	<u>31,190,982</u>	<u>31,268,069</u>	<u>24,179,975</u>
Financed by: -					
SHARE CAPITAL	14	39,855,006	31,276,406	39,855,006	31,276,406
ACCUMULATED LOSSES		(2,878,380)	(1,018,115)	(8,586,937)	(7,096,431)
		<u>36,976,626</u>	<u>30,258,291</u>	<u>31,268,069</u>	<u>24,179,975</u>
NON-CURRENT LIABILITIES					
Lease liabilities	13	-	46,728	-	-
Other payables and accruals	12	883,057	883,057	-	-
Deferred tax liabilities	15	-	2,906	-	-
		<u>883,057</u>	<u>932,691</u>	<u>-</u>	<u>-</u>
		<u>37,859,683</u>	<u>31,190,982</u>	<u>31,268,069</u>	<u>24,179,975</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the financial year ended 31 July 2021

	Note	Group		Company	
		01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
REVENUE	16	3,350,627	7,189,677	-	1,000,000
COST OF SALES		(2,873,348)	(4,035,658)	-	-
GROSS PROFIT		477,279	3,154,019	-	1,000,000
OTHER INCOME		38,178	9,631	25,189	3,969
OPERATING AND ADMINISTRATION EXPENSES		(2,363,737)	(3,566,490)	(1,600,059)	(649,915)
(LOSS)/PROFIT FROM OPERATIONS		(1,848,280)	(402,840)	(1,574,870)	354,054
FINANCE COST		(3,308)	(33,862)	-	-
(LOSS)/PROFIT BEFORE TAX	17	(1,851,588)	(436,702)	(1,574,870)	354,054
INCOME TAX EXPENSE	18	(8,677)	(312,750)	84,364	(240,000)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR/PERIOD		(1,860,265)	(749,452)	(1,490,506)	114,054
(LOSS)/PROFIT AFTER TAX ATTRIBUTABLE TO: -					
Owners of the Company		(1,860,265)	(749,452)	(1,490,506)	114,054
TOTAL COMPREHENSIVE (LOSS)/ INCOME ATTRIBUTABLE TO: -					
Owners of the Company		(1,860,265)	(749,452)	(1,490,506)	114,054
LOSS PER SHARE	19				
- Basic (Sen)		(0.19)	(0.08)		
- Diluted (Sen)		(0.19)	(0.08)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2021

Group	Note	←----- Non-distributable ----->		Distributable	Total
		Share Capital	Warrant Reserve	Retained Earnings/ (Accumulated Losses)	
		RM	RM	RM	RM
Balance at 1 February 2019 (as previously stated)		31,275,741	518,064	2,970,414	34,764,219
Prior year adjustments	25	-	-	(3,757,141)	(3,757,141)
Balance at 1 February 2019 (as restated)		31,275,741	518,064	(786,727)	31,007,078
<i>Transition with owners:</i>					
Issuance of shares pursuant to the exercises of warrants		665	-	-	665
Expire of warrants		-	(518,064)	518,064	-
		665	(518,064)	518,064	665
Loss after tax/total comprehensive loss for the financial period		-	-	(749,452)	(749,452)
Balance at 31 July 2020		31,276,406	-	(1,018,115)	30,258,291
Balance at 1 August 2020		31,276,406	-	(1,018,115)	30,258,291
<i>Transactions with owners:-</i>					
Issuance of shares		8,578,600	-	-	8,578,600
Loss after tax/total comprehensive loss for the financial year		-	-	(1,860,265)	(1,860,265)
Balance at 31 July 2021		39,855,006	-	(2,878,380)	36,976,626

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 July 2021

cont'd

Company	←----- Non-distributable ----->		Distributable	Total
	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	
Balance at 1 February 2019 (as previously stated)	31,275,741	518,064	(7,728,549)	24,065,256
<i>Transition with owners:</i>				
Issuance of shares pursuant to the exercises of warrants	665	-	-	665
Expire of warrants	-	(518,064)	518,064	-
	665	(518,064)	518,064	665
Profit after tax/total comprehensive income for the financial period	-	-	114,054	114,054
Balance at 31 July 2020	31,276,406	-	(7,096,431)	24,179,975
Balance at 1 August 2020	31,276,406	-	(7,096,431)	24,179,975
<i>Transactions with owners:-</i>				
Issuance of shares	8,578,600	-	-	8,578,600
Loss after tax/total comprehensive loss for the financial year	-	-	(1,490,506)	(1,490,506)
Balance at 31 July 2021	39,855,006	-	(8,586,937)	31,268,069

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 July 2021

	Group		Company	
	01.08.2020 to 31.07.2021	(Restated) 01.02.2019 to 31.07.2020	01.08.2020 to 31.07.2021	01.02.2019 to 31.07.2020
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax	(1,851,588)	(436,702)	(1,574,870)	354,054
<i>Adjustments for:</i>				
Bad debts written off	-	2,500	-	-
Depreciation of property, plant and equipment	110,967	133,793	15,020	22,268
Depreciation of right-of-use asset	202,950	318,439	-	-
Impairment loss allowance on trade receivables	20,962	677,739	-	-
Interest expense	3,308	33,863	-	-
Interest income	(26,988)	(9,631)	(25,069)	(3,969)
Operating (loss)/profit before working capital changes	(1,540,389)	720,001	(1,584,919)	372,353
Decrease in receivables	13,701,166	20,554,883	1,000	1,184,465
(Decrease)/increase in payables	(2,217,844)	2,610,051	(364,599)	370,793
Cash generated from/(used in) operations	9,942,933	23,884,935	(1,948,518)	1,927,611
Interest received	26,988	9,631	25,069	3,969
Interest paid	(3,308)	(33,863)	-	-
Tax refunded	-	55,928	-	-
Tax paid	(595,757)	(1,007,650)	(155,636)	-
Net cash generated from/(used in) operating activities	9,370,856	22,908,981	(2,079,085)	1,931,580
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in subsidiaries	-	-	(1,999,997)	(1,999,898)
Purchase of property, plant and equipment	(16,549,790)	(22,620,389)	(3,000)	-
Net cash used in investing activities	(16,549,790)	(22,620,389)	(2,002,997)	(1,999,898)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 July 2021

cont'd

	Group		Company	
	01.08.2020 to 31.07.2021	(Restated) 01.02.2019 to 31.07.2020	01.08.2020 to 31.07.2021	01.02.2019 to 31.07.2020
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	8,578,600	665	8,578,600	665
Repayment of lease liabilities	(216,592)	(303,660)	-	-
Subsidiaries' financing	-	-	(3,502,487)	912,055
Director's financing	(62,075)	(1,044,184)	(8,881)	(950,468)
Net cash generated from/(used in) financing activities	8,299,933	(1,347,179)	5,067,232	(37,748)
Net increase/(decrease) in cash and cash equivalents	1,120,999	(1,058,587)	985,150	(106,066)
Cash and cash equivalents at beginning of the financial year/period	171,127	1,229,714	85,959	192,025
Cash and cash equivalents at end of the financial year/period	1,292,126	171,127	1,071,109	85,959
CASH AND CASH EQUIVALENTS COMPRISE :-				
Cash on hand	3,766	54,867	-	43,584
Cash at bank	1,288,360	116,260	1,071,109	42,375
	1,292,126	171,127	1,071,109	85,959

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The address of the principal place of business of the Company is E-9-08, Block E, Level 9, Capital 5, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 July 2021 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”).

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as set out in *Note 5*. There were no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 (“CA 2016”) in Malaysia.

As of 31 July 2021, the Group incurred a net loss of RM1,860,265 and its current liabilities exceeded current assets by RM1,524,155 thereby indicating the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

Subsequent to the financial year end, the Company has announced its intention to undertake a Renounceable Rights Issue of 537 million ordinary shares in total to raise total proceeds of RM29.5 million to fund the Group’s future construction projects and general working capital. It is currently in the process of tendering for 2 construction projects with an aggregate sum of RM140 million.

The going concern basis of preparation is dependent on the successful implementation of the proposed fund-raising initiative that will be undertaken by the Company upon obtaining relevant authorities’ approvals, securing new projects and attaining positive cash flows from its operations as well as continuing support from its creditors so as to enable the Group to meet their obligations as and when they fall due.

The Board of Directors is confident on the successful and timely implementation of the aforementioned plans. Accordingly, the financial statements for the financial year ended 31 July 2021 of the Group and of the Company have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *cont'd*

(a) Statement of Compliance *cont'd*

The following MFRSs became effective for the financial year under review:

MFRSs/Amendments to MFRSs/IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020

MFRSs, Amendments to MFRSs and Issue Committees (“IC”) Interpretation that have been issued but are not yet effective

The Group and the Company have not adopted the following MFRSs, Amendments to MFRSs and IC Interpretation that have been issued but not yet effective: -

MFRSs/Amendments to MFRSs/IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a contract	1 January 2022
Annual improvements to MFRS 2018 – 2020	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS *cont'd*

(a) Statement of Compliance *cont'd*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 August 2021 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 August 2021, if applicable.

The adoption of the above standards and interpretations is not expected to have a material impact on the financial statements in the period of application.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in *Note 3*.

(c) Functional and Presentation Currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than: -

1) **Construction contracts**

The Group measures the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis Of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as: -

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Property, Plant And Equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a reducing balance basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Property, Plant And Equipment *cont'd*

(iii) Depreciation *cont'd*

The estimated useful lives for the current and comparative periods are as follows: -

	%
Computers and software	10 - 33.33
Furniture and fittings	10
Motor vehicles	12.5 - 20
Office equipment	10 - 33.33
Renovation	10
Leasehold land	1.3086

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(c) Contract Asset/Contract Liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see *Note 3(f)(i)*).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(d) Cash And Cash Equivalents

Cash and cash equivalents consists of cash on hand, balances with banks, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented by cash and bank balances.

(e) Financial Instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(e) Financial Instruments *cont'd*

(ii) *Financial instrument categories and subsequent measurement*

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

- *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see *Note 3(f)(i)*) where the effective interest rate is applied to the amortised cost.

- *Fair value through other comprehensive income*

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

All financial assets, except for those measured at fair value through profit or loss were subject to impairment assessment (see *Note 3(f)(i)*).

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(e) Financial Instruments *cont'd*

(ii) *Financial instrument categories and subsequent measurement cont'd*

Financial Liabilities

The categories of financial liabilities at initial recognition are as follows: -

- *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(f) Impairment

(i) *Financial assets*

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a simplified approach with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(f) Impairment *cont'd*

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(g) Leases

The Company has applied MFRS 16 using the modified retrospective approach.

i. Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Leases *cont'd*

ii. *Recognition and initial measurement*

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payables under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

iii. *Subsequent measurement*

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Leases *cont'd*

iii. Subsequent measurement cont'd

As a lessee cont'd

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Equity Instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(i) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(j) Employee Benefits

(i) *Short-term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *State plans*

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Revenue and Other Income

(i) *Revenue*

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met: -

- i) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- ii) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) *Interest income*

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(l) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(m) Earnings Per Ordinary Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(n) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(o) Fair Value Measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows: -

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

4. PROPERTY, PLANT AND EQUIPMENT

Group	Computers and software										Total	
	RM	Furniture and fittings	Motor vehicles	Office equipment	Renovation	Freehold Land	Leasehold Land	RM	RM	RM		RM
<i>Cost</i>												
At 31 January/1 February 2019	6,444	154,875	319,098	20,171	64,106	-	-	-	64,106	-	-	564,694
Additions	-	3,250	-	3,139	-	20,950,000	1,664,000	-	-	20,950,000	1,664,000	22,620,389
At 31 July/1 August 2020	6,444	158,125	319,098	23,310	64,106	20,950,000	1,664,000	-	64,106	20,950,000	1,664,000	23,185,083
Additions	3,000	-	-	6,790	-	16,540,000	-	-	-	16,540,000	-	16,549,790
At 31 July 2021	9,444	158,125	319,098	30,100	64,106	37,490,000	1,664,000	-	64,106	37,490,000	1,664,000	39,734,873
<i>Accumulated depreciation</i>												
At 31 January/1 February 2019	1,479	39,677	138,084	2,895	17,075	-	-	-	17,075	-	-	199,210
Charge for the financial period	966	23,611	95,730	3,393	9,616	-	477	-	9,616	-	477	133,793
At 31 July/1 August 2020	2,445	63,288	233,814	6,288	26,691	-	477	-	26,691	-	477	333,003
Charge for the financial year	818	15,813	63,820	2,330	6,411	-	21,775	-	6,411	-	21,775	110,967
At 31 July 2021	3,263	79,101	297,634	8,618	33,102	-	22,252	-	33,102	-	22,252	443,970
<i>Net carrying amount</i>												
At 31 July 2021	6,181	79,024	21,464	21,482	31,004	37,490,000	1,641,748	-	31,004	37,490,000	1,641,748	39,290,903
At 31 July 2020	3,999	94,837	85,284	17,022	37,415	20,950,000	1,663,523	-	37,415	20,950,000	1,663,523	22,852,080

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Company	Computers and software RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
<i>Cost</i>						
At 31 January/ 1 February 2019	6,443	83,678	5,800	4,799	41,930	142,650
Additions	-	-	-	-	-	-
At 31 July/1 August 2020	6,443	83,678	5,800	4,799	41,930	142,650
Additions	3,000	-	-	-	-	3,000
At 31 July 2021	9,443	83,678	5,800	4,799	41,930	145,650
<i>Accumulated depreciation</i>						
At 31 January/ 1 February 2019	1,477	22,529	2,320	960	11,531	38,817
Charge for the financial period	966	12,552	1,740	720	6,290	22,268
At 31 July/1 August 2020	2,443	35,081	4,060	1,680	17,821	61,085
Charge for the financial year	819	8,368	1,160	480	4,193	15,020
At 31 July 2021	3,262	43,449	5,220	2,160	22,014	76,105
<i>Net carrying amount</i>						
At 31 July 2021	6,181	40,229	580	2,639	19,916	69,545
At 31 July 2020	4,000	48,597	1,740	3,119	24,109	81,565

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Cost		
<i>Unquoted shares in Malaysia</i>		
At 1 August 2020/1 February 2019	2,000,003	105
Addition	1,999,997	1,999,898
At 31 July	4,000,000	2,000,003

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

5. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows: -

Name of subsidiaries	Country of incorporation	Effective equity interest		Principal activities
		2021 %	2020 %	
SC Estate Construction Sdn. Bhd.	Malaysia	100	100	Construction and project management.
SC Estate Industries Sdn. Bhd.	Malaysia	100	100	Trading in building materials.
SC Estate IBS Sdn. Bhd.	Malaysia	100	100	Manufacturing and supplying of industrialised building system.
SC Estate Energy Sdn Bhd,	Malaysia	100	100	Dormant.

The Company assessed the recoverable amount of investment on subsidiary companies and determined that an impairment loss should be recognised if the recoverable amount is lower than the carrying amount. The recoverable amount of the respective subsidiary company, being the independent Cash-generating unit ("CGU"), is determined using the fair value less costs to sell approach, and is derived from the net assets position of the respective subsidiary companies as at end of the reporting period.

6. RIGHT-OF-USE ASSET

	Group	
	2021 RM	2020 RM
<i>Cost</i>		
Building		
At 1 August 2020/1 February 2019	488,734	488,734
Additions	126,543	-
Derecognition due to lease modification	(953)	-
At 31 July	614,324	488,734
<i>Accumulated depreciation</i>		
At 1 August 2020/1 February 2019	318,439	-
Depreciation for the financial year / period	202,950	318,439
At 31 July	521,389	318,439
<i>Carrying amount</i>		
As at 31 July	92,935	170,295

The Company leases office premises on 2-year contract with an extension option.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

7. TRADE RECEIVABLES

	Group (Restated)	
	2021 RM	2020 RM
Trade receivables	419,244	14,780,648
Less: Accumulated impairment losses	(20,962)	(677,739)
	<u>398,282</u>	<u>14,102,909</u>

Movements of the accumulated impairment losses (individually impaired) are as follow:

	Group	
	2021 RM	2020 RM
At the beginning of the financial year/period	677,739	-
Additions	20,962	677,739
Less: Reversal	(677,739)	-
At the end of the financial year/period	<u>20,962</u>	<u>677,739</u>

8. OTHER RECEIVABLES AND DEPOSITS

	Group (Restated)		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	-	27,501	-	-
Less: Written off	-	(2,500)	-	-
	-	25,001	-	-
Deposits	29,750	22,250	-	1,000
	<u>29,750</u>	<u>47,251</u>	-	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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9. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM	2020 RM
Contract assets/(liabilities) in relation to:-		
- construction project	12,384	(20,179)
Aggregated costs incurred to date	429,817	9,260,544
Add: Attributable profits	31,628	492,984
	461,445	9,753,528
Less: Progress billings	(419,244)	(9,773,707)
	42,201	(20,179)
Less: Written off	(29,817)	-
	12,384	(20,179)

Contract assets/(liabilities) primarily relate to the Group's rights to consideration for work completed on a construction project but not billed at the reporting date. Contract assets/(liabilities) are transferred to receivables when rights become unconditional.

10. AMOUNT DUE FROM/(TO) SUBSIDIARIES/A DIRECTOR

These amounts are unsecured, interest free and receivable / (repayable) on demand.

11. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash on hand ¹	3,766	54,867	-	43,584
Cash at bank	1,288,360	116,260	1,071,109	42,375
	1,292,126	171,127	1,071,109	85,959

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

12. OTHER PAYABLES AND ACCRUALS

	Group (Restated)		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<u>Current liabilities</u>				
Other payables	101,331	302,818	42,215	263,250
Accruals	391,192	546,732	313,866	457,430
	<u>492,523</u>	<u>849,550</u>	<u>356,081</u>	<u>720,680</u>
<u>Non-current liabilities</u>				
Other payables	883,057	883,057	-	-
	<u>1,375,580</u>	<u>1,732,607</u>	<u>356,081</u>	<u>720,680</u>

13. LEASE LIABILITIES

	Group	
	2021 RM	2020 RM
<i>Current liabilities</i>		
- Lease liabilities owing to non-financial institutions	94,072	138,346
<i>Non-current liabilities</i>		
- Lease liabilities owing to non-financial institutions	-	46,728
	<u>94,072</u>	<u>185,074</u>

The Group leases office premises. The remaining lease terms are as below:-

	2021	2020
Office premises	<u>5 - 6 months</u>	<u>5 - 18 months</u>

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entity's incremental borrowing rate. Subsequent to the initial recognition, the Company measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made.

The total cash outflow for the leases in the financial year ended 31 July 2021 for the Company amounted to RM216,592 (2020: RM303,660).

The effective interest rate of the lease liabilities is 5.29% (2020: 5.29%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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14. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		RM	RM
Ordinary shares with no par value				
Issued and fully paid: -				
At 1 August 2020/1 February 2019	883,090,909	883,077,609	31,276,406	31,275,741
Issuance of shares	176,000,000	-	8,578,600	-
Issuance of shares pursuant to the exercise of warrants	-	13,300	-	665
At 31 July	1,059,090,909	883,090,909	39,855,006	31,276,406

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

15. DEFERRED TAX LIABILITIES

	Group	
	2021	2020
	RM	RM
Property, plant and equipment: -		
At 1 August 2020/1 February 2019	2,906	9,733
Recognised in profit or loss (Note 18)	(2,906)	(6,827)
At 31 July	-	2,906

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
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16. REVENUE

	Group		Company	
	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
Contract revenue	3,350,627	7,075,242	-	1,000,000
Sales of goods	-	114,435	-	-
	<u>3,350,627</u>	<u>7,189,677</u>	<u>-</u>	<u>1,000,000</u>
Timing of revenue recognition:-				
- at a point in time	-	114,435	-	-
- over time	3,350,627	7,075,242	-	1,000,000
	<u>3,350,627</u>	<u>7,189,677</u>	<u>-</u>	<u>1,000,000</u>

Revenue from sales of construction, project management, construction related industries are recognised over time once control of asset is transferred to the customers generally on delivery of products and customers' acceptance. Revenue from sales of trading in building materials is recognised at a point in time once control of the asset is transferred to the customers generally on delivery of products and customers' acceptance.

17. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
This is stated after charging: -				
Auditors' remuneration				
- Current year's provision	71,000	64,000	40,000	40,000
- Under/(over) provision in prior year	19,000	(10,000)	12,000	-
- Non audit services	3,000	3,000	3,000	3,000
Bad debts written off	-	2,500	-	-
Depreciation of property, plant and equipment	110,967	133,793	15,020	22,268
Depreciation of right-of-use asset	202,950	318,439	-	-
Impairment loss allowance on trade receivables	20,962	677,739	-	-
Interest expense on lease liabilities	3,308	33,863	-	-
	<u>26,988</u>	<u>9,631</u>	<u>25,069</u>	<u>3,969</u>
and crediting: -				
Interest income	26,988	9,631	25,069	3,969

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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18. INCOME TAX EXPENSE

	Group		Company	
	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
Current tax expense: -				
Current year's provision	5,830	292,141	-	240,000
Under/(over) provision in prior years	5,753	27,436	(84,364)	-
	11,583	319,577	(84,364)	240,000
Deferred tax expense: -				
Reversal of temporary differences (<i>Note 15</i>)	(2,906)	-	-	-
Over recognition in prior years (<i>Note 15</i>)	-	(6,827)	-	-
	(2,906)	(6,827)	-	-
Total income tax expense	8,677	312,750	(84,364)	240,000

The reconciliation between tax expense and the product of accounting (loss) / profit multiplied by the applicable corporate tax rate for the financial year ended 31 July 2021 and the financial period ended 31 July 2020 is as follows:

	Group		Company	
	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
(Loss)/profit before tax	(1,851,588)	(436,702)	(1,574,870)	354,054
Tax at Malaysian statutory tax rate at 24% (2020: 24%)	(444,381)	(104,808)	(377,969)	84,973
Expenses not deductible for tax purposes	403,031	324,398	377,969	155,027
Non-taxable income	(162,657)	-	-	-
Deferred tax assets not recognised during the financial year/period	206,931	72,551	-	-
Under/(over) provision of current taxation in prior years	5,753	27,436	(84,364)	-
Over provision of deferred taxation in prior years	-	(6,827)	-	-
	8,677	312,750	(84,364)	240,000

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
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19. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 31 July 2021 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows: -

	Group	
	01.08.2020	01.02.2019
	to	to
	31.07.2021	31.07.2020
Loss attributable to owners of the Company (RM)	(1,860,265)	(749,452)
Weighted average number of ordinary shares: -		
Issued ordinary shares at 1 August 2020/1 February 2019	883,090,909	883,077,609
Effect of ordinary shares issued	89,709,589	-
Effect of ordinary shares issued pursuant to the exercise of warrants	-	6,492
Weighted average number of ordinary shares at 31 July	972,800,498	883,084,101
Basic loss per share (sen)	(0.19)	(0.08)

Diluted loss per share

The calculation of diluted loss per ordinary share at 31 July 2021 was based on loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The diluted loss per share is same as per the basic loss per share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

20. STAFF COSTS

	Group		Company	
	01.08.2020	01.02.2019	01.08.2020	01.02.2019
	to	to	to	to
	31.07.2021	31.07.2020	31.07.2021	31.07.2020
	RM	RM	RM	RM
Directors' emoluments:-				
Fees	82,868	196,356	82,868	196,356
Remuneration and allowances	412,820	626,273	74,000	118,000
Defined contribution plans	65,304	97,955	-	-
	560,992	920,584	156,868	314,356
Other staff costs:-				
Salaries, commissions and allowances	292,268	518,781	3,200	5,546
Defined contribution plans	53,388	90,721	-	-
Other staff related expenses	188	894	-	595
	345,844	610,396	3,200	6,141
	906,836	1,530,980	160,068	320,497

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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21. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as the chief operating decision makers in order to allocate resources to segments and to assess performance of the Group. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into main business segments as follows: -

(a) Construction

Project management.

(b) Manufacturing

Design, manufacturing and distribution of precision system, expanded metal and turbine ventilator.

(c) Trading

Trading of building materials and other related products.

Other segments comprise companies providing management services and dormant companies.

The Executive Directors assess the performances of the operating segments based on operating profits or losses which is measured differently from those disclosed in the consolidated financial statements.

The Executive Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and have been established based on negotiated and mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

21. OPERATING SEGMENTS *cont'd*

(a) Business segments

Group 2021	Construction RM	Trading RM	Others RM	Consolidated adjustments RM	Eliminations RM	Total RM
Revenue						
External revenue	3,350,627	-	-	-	-	3,350,627
Results						
Segment results	(34,638)	-	(1,847,535)	-	6,902	(1,875,271)
Interest income	1,048	-	25,940	-	-	26,988
Interest expense	(1,678)	-	(1,630)	-	-	(3,308)
Loss before tax	(35,268)	-	(1,823,225)	-	6,902	(1,851,591)
Income tax expense	(93,041)	-	84,364	-	-	(8,677)
Loss after tax	(128,309)	-	(1,738,861)	-	6,902	(1,860,268)
Assets						
Segment assets	20,544,617	-	40,290,832	(36,259,069)	-	24,576,380
Liabilities						
Segment liabilities	28,725,658	-	7,680,070	(32,265,974)	-	4,139,754
Other information						
Depreciation of right-of-use asset	109,992	-	-	-	-	109,992
Depreciation of property, plant and equipment	55,046	-	-	-	-	55,046

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

21. OPERATING SEGMENTS *cont'd*

(a) Business segments *cont'd*

Group 2020	Construction RM	Trading RM	Others RM	Consolidated adjustments RM	Eliminations RM	Total RM
Revenue						
External revenue	7,075,242	114,435	-	-	-	7,189,677
Inter-segment revenue	-	-	1,000,000		(1,000,000)	-
External revenue	7,075,242	114,435	1,000,000	-	(1,000,000)	7,189,677
Results						
Segment results	(447,030)	(302,169)	336,729	-	-	(412,470)
Interest income	1,490	4,172	3,969	-	-	9,631
Interest expense	(14,944)	(18,919)	-	-	-	(33,863)
(Loss)/profit before tax	(460,484)	(316,916)	340,698	-	-	(436,702)
Income tax expense	(79,577)	6,827	(240,000)	-	-	(312,750)
(Loss)/profit after tax	(540,061)	(310,089)	100,698	-	-	(749,452)
Assets						
Segment assets	33,206,462	7,804,201	25,151,526	(28,818,527)	-	37,343,662
Liabilities						
Segment liabilities	25,694,431	7,210,215	999,249	(26,818,524)	-	7,085,371
Other information						
Depreciation of right-of-use asset	185,180	133,259	-	-	-	318,439
Depreciation of property, plant and equipment	50,216	61,309	-	-	-	111,525

(b) Major Customers

The Group has two (2020:2) major customers that contributed approximately RM3,350,627 (2020: RM7,139,883), representing 100% (2020:99%) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
cont'd

22. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

The table below provides an analysis of financial instruments as at reporting date categorised as follows: -

	Group		Company	
	Carrying amount RM	Amortised cost RM	Carrying amount RM	Amortised cost RM
2021				
Financial assets: -				
Trade receivables	398,282	398,282	-	-
Other receivables and deposits	29,750	29,750	-	-
Amount due from subsidiaries	-	-	26,485,483	26,485,483
Cash and bank balances	1,292,126	1,292,126	1,071,109	1,071,109
	<u>1,720,158</u>	<u>1,720,158</u>	<u>27,556,592</u>	<u>27,556,592</u>
Financial liabilities: -				
Trade payables	2,037,935	2,037,935	-	-
Other payables and accruals	1,375,580	1,375,580	356,081	356,081
Lease liabilities	94,072	94,072	-	-
Amount due to a director	10,454	10,454	1,987	1,987
	<u>3,518,041</u>	<u>3,518,041</u>	<u>358,068</u>	<u>358,068</u>
2020 (Restated)				
Financial assets: -				
Trade receivables	14,102,909	14,102,909	-	-
Other receivables and deposits	47,251	47,251	1,000	1,000
Amount due from subsidiaries	-	-	22,982,996	22,982,996
Cash and bank balances	171,127	171,127	85,959	85,959
	<u>14,321,287</u>	<u>14,321,287</u>	<u>23,069,955</u>	<u>23,069,955</u>
Financial liabilities: -				
Trade payables	3,866,189	3,866,189	-	-
Other payables and accruals	1,732,607	1,732,607	720,680	720,680
Lease liabilities	185,074	185,074	-	-
Amount due to a director	72,529	72,529	10,868	10,868
	<u>5,856,399</u>	<u>5,856,399</u>	<u>731,548</u>	<u>731,548</u>

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

22. FINANCIAL INSTRUMENTS *cont'd*

(b) Financial Risk Management

The Group has exposure to the following risks from its financial instruments: -

- Credit risk
- Liquidity risk
- Market risk

(c) Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from trade receivables, other receivables and deposits. The Company's exposure to credit risk arises principally from other receivables and advances to subsidiaries. There are no significant changes as compared to prior periods.

(i) *Trade receivables and amount due from contract customers*

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

The gross carrying amounts of credit impaired trade receivables and amount due from contract customers are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and amount due from contract customers that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Concentration of credit risk

As at the end of the reporting period, 1 (2020: 2) major customer accounted for 100% (2020: 100%) of the outstanding trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
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22. FINANCIAL INSTRUMENTS *cont'd*

(c) Credit Risk *cont'd*

(i) Trade receivables and amount due from contract customers *cont'd*

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

As there are only a few customers, the Group assessed the risk of loss of the customer individually based on its financial information and past trend of payments. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Group		
	Gross carrying amount RM	Loss allowances RM	Net balance RM
2021			
Current (not past due)	419,244	(20,962)	398,282
2020			
Current (not past due)	176,676	(8,834)	167,842
1 - 30 days past due	1,402,551	(8,834)	1,393,717
31 - 60 days past due	101,677	(5,084)	96,593
More than 61 days past due	13,099,744	(654,987)	12,444,757
	14,780,648	(677,739)	14,102,909

(ii) Other receivables

Credit risk on other receivables is mainly arising from the deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by its carrying amount in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses as the probability of default of these deposits is low.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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22. FINANCIAL INSTRUMENTS *cont'd*

(c) Credit Risk *cont'd*

(iii) Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(iv) Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
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22. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM	1 - 2 years RM	2 - 5 years RM
2021						
Group						
Non derivative financial liabilities: -						
Trade payables	2,037,935	-	2,037,935	2,037,935	-	-
Other payables and accruals	1,375,580	-	1,375,580	492,523	-	883,057
Amount due to a director	10,454	-	10,454	10,454	-	-
Lease liabilities	94,072	5.29	95,000	95,000	-	-
	<u>3,518,041</u>		<u>3,518,969</u>	<u>2,635,912</u>	<u>-</u>	<u>883,057</u>
2020						
Group						
Non derivative financial liabilities: -						
Trade payables	3,866,189	-	3,866,189	3,866,189	-	-
Other payables and accruals	1,732,607	-	1,732,607	849,550	-	883,057
Contract liabilities	20,179	-	20,179	20,179	-	-
Amount due to a director	72,529	-	72,529	72,527	-	-
Lease liabilities	185,074	5.29	197,600	148,400	49,200	-
	<u>5,876,578</u>		<u>5,889,104</u>	<u>4,956,845</u>	<u>49,200</u>	<u>883,057</u>

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

cont'd

22. FINANCIAL INSTRUMENTS *cont'd*

(d) Liquidity Risk *cont'd*

	Carrying amount RM	Contractual interest %	Contractual cash flows RM	Within 1 year RM
2021				
Company				
Non derivative financial liabilities: -				
Other payables and accruals	356,081	-	356,081	356,081
Amount due to a director	1,987	-	1,987	1,987
	<u>358,068</u>		<u>358,068</u>	<u>358,068</u>
2020				
Company				
Non derivative financial liabilities: -				
Other payables and accruals	720,680	-	720,680	720,680
Amount due to a director	10,868	-	10,868	10,868
	<u>731,548</u>		<u>731,548</u>	<u>731,548</u>

(e) Fair Value Information

The carrying amounts of cash and cash equivalents, short term receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

23. CAPITAL MANAGEMENT

The Group defines capital as equity and debt of the Group. The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021
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24. RELATED PARTY DISCLOSURE

(a) Identity of Related Parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

(b) Significant Related Party Transactions

Related party transactions have been entered into in the normal course of business under negotiated and mutually agreed terms. The significant related party transactions of the Group and the Company are shown below.

	Group		Company	
	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM	01.08.2020 to 31.07.2021 RM	01.02.2019 to 31.07.2020 RM
Entities controlled by key management personnel:-				
Sales	-	-	-	1,000,000
Key management personnel:-				
<i>Directors</i>				
Fee	82,868	196,356	82,868	196,356
Remuneration and allowances	412,820	626,273	74,000	118,000
Defined contribution plans	65,304	97,955	-	-
	560,992	920,584	156,868	314,356

NOTES TO THE FINANCIAL STATEMENTS

31 July 2021

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25. PRIOR YEAR ADJUSTMENTS

Group	As previously stated RM	Effects of change in prior year adjustments RM	As restated RM
Trade receivables	14,074,027	28,882	14,102,909
Other receivables and deposits	3,833,274	(3,786,023)	47,251
Retained earnings/(accumulated losses)	2,970,414	(3,757,141)	(786,727)

On 31 December 2018, the Company disposed its subsidiary company, Flonic Advance Sdn Bhd and became third party, the consolidation permanent journal entries have been reclassified to trade receivables and other receivables as elimination of impairment losses and bad debts written off. During the financial year, the Directors had noticed this misstatement and decided to restate and remove the permanent journal entries. This adjustment was made retrospectively relating to prior years.

As a result of the adjustment, the retained earnings decreased from RM2,970,414 to accumulated losses of RM786,727.

26. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 18 November 2021 by the Board of Directors.

LIST OF PROPERTIES

No.	Location	Address	Description/ Existing Use	Tenure	Land Area (Square Meter)	Carrying Amount (RM)	Date of Acquisition
1.	Kedah	Lot Nos. 815 to 835 Section 47 [Title Nos. GM 17637 to GM 17657] respectively, all within town of Alor Setar, District of Kota Setar, State of Kedah	Residential land	Freehold	2,238 square meters	3,650,000	24 July 2020
2.	Melaka	Lot No. 10511, PN 23168, Mukim of Batu Berendam, District of Melaka Tengah, Melaka	Commercial land	Leasehold	8,137 square meters	1,664,000	24 July 2020
3.	Kedah	P.T. No. 819 [Title No. HSD 14970], Town of Alor Setar, District of Kota Setar, State of Kedah	Commercial land	Freehold	7,345 square meters	17,300,000	30 July 2020
4.	Kedah	Lot Nos. 278, 278 & 282 [Title Nos. GM 14813, GM 14814 & GM 14815] Town of Alor Setar, District of Kota Setar, State of Kedah	Commercial land	Freehold	15,361 square meters	16,540,000	3 June 2021

STATISTICS OF SHAREHOLDINGS

As at 11 November 2021

Total number of issued shares	:	1,074,090,909 ordinary shares
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS as per the Record of Depositors

Size of Holdings	No. of Holders	%	No. of Ordinary Shares	%
1 - 99	14	0.39	646	0.00
100 - 1,000	611	16.81	170,523	0.02
1,001 - 10,000	794	21.84	5,483,903	0.51
10,001 - 100,000	1,663	45.75	77,185,014	7.19
100,001 - less than 5% of issued shares	550	15.13	700,342,223	65.20
5% and above of issued shares	3	0.08	290,908,600	27.08
Total:	3,635	100.00	1,074,090,909	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

based on the Register of Substantial Shareholders as at 11 November 2021

No.	Name	No. of Ordinary Shares			
		Direct Interest	%	Indirect Interest	%
1.	Takzim Empayar Sdn. Bhd.	122,593,648	11.41	-	-
2.	Loh Boon Ginn	-	-	122,593,648 ⁽¹⁾	11.41
3.	SC Estate World Sdn. Bhd.	93,314,952	8.69	-	-
4.	Vantage Matrix Sdn. Bhd.	75,000,000	6.98	-	-

Remarks:

- (1) Deemed interested by virtue of his interest in Takzim Empayar Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

STATISTICS OF SHAREHOLDINGS

As at 11 November 2021
cont'd

DIRECTORS' SHAREHOLDINGS

based on the Register of Directors' Shareholdings as at 11 November 2021

Name of Directors	No. of Ordinary Shares			
	Direct Interest	%	Indirect Interest	%
Loh Boon Ginn	-	-	122,593,648 ⁽¹⁾	11.41
Kuay Jeaneve	-	-	-	-
Chee Jun Ann	-	-	-	-
Kuay Jen Nie	-	-	-	-
Loh Boon Zheng	-	-	-	-
Loh Shy Tyug	-	-	-	-
Loh Shy Ming	-	-	-	-
Josipinna binti Pudun	-	-	-	-
Loo Tze Ming	-	-	-	-
Soo Ting Hooi	-	-	-	-
Chan Wei Xi	-	-	-	-

Remarks:

(1) Deemed interested by virtue of his shareholdings in Takzim Empayar Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

TOP 30 SECURITIES ACCOUNT HOLDERS (ORDINARY SHARES)

as per Record of Depositors as at 11 November 2021

No.	Name	No. of Ordinary Shares	%
1.	M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Takzim Empayar Sdn. Bhd.	122,593,648	11.41
2.	M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for SC Estate World Sdn. Bhd.	93,314,952	8.69
3.	M & A Nominee (Tempatan) Sdn. Bhd. - Majestic Salute Sdn. Bhd. for Vantage Matrix Sdn. Bhd.	75,000,000	6.98
4.	Seik Thye Kong	52,682,500	4.90
5.	Michael Heng Chun Hong	50,000,200	4.66
6.	Tan Pow Choo @ Wong Seng Eng	48,733,600	4.54
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Koh Boon Poh (008)	48,006,869	4.47
8.	Ng Tiam Hock @ Tan Tiam Kew	47,212,700	4.40
9.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Gan Boon Guat (EM1-P88)	33,658,300	3.13
10.	Syarikat Kayu Wangi Berhad	33,000,000	3.07

STATISTICS OF SHAREHOLDINGS

As at 11 November 2021

cont'd

TOP 30 SECURITIES ACCOUNT HOLDERS (ORDINARY SHARES) *cont'd* as per Record of Depositors as at 11 November 2021

No.	Name	No. of Ordinary Shares	%
11.	Chui Ong Choon Han	26,000,000	2.42
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Yeo Bee Kim</i>	25,000,000	2.33
13.	JF Apex Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Seik Yee Kok</i>	23,432,300	2.18
14.	Yeo Bee Kim	16,465,600	1.53
15.	Seik Yee Kok	13,000,000	1.21
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Florence Lim Hui Leng</i>	8,000,000	0.74
17.	Progerex Sdn. Bhd.	8,000,000	0.74
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Kwong Ming Kwei (08KW032ZQ-008)</i>	7,711,000	0.72
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Wai Ai Loo</i>	7,116,000	0.66
20.	Siti Junainah binti Dewa	6,960,000	0.65
21.	Valuevest Ventures Sdn. Bhd.	6,000,000	0.56
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for See Jovin (MY2752)</i>	5,000,000	0.47
23.	LGB Engineering Sdn. Bhd.	5,000,000	0.47
24.	Lim Soh Hong	5,000,000	0.47
25.	Lam Ah Choi	3,614,500	0.34
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>- Pang Mei Chea @ See Kiew</i>	3,500,000	0.33
27.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Noorazrin bin Zakaria</i>	3,500,000	0.33
28.	Chap Kar Kar	3,159,000	0.29
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>- Pledged Securities Account for Teoh Wah Ing</i>	3,000,000	0.28
30.	Siti Junainah binti Dewa	3,000,000	0.28
	Total:	786,661,169	73.25

SC ESTATE BUILDER BERHAD

[Registration No. 200401017162 (655665-T)]
(Incorporated in Malaysia)

Number of shares held	
CDS account no.	

*I/We,
(full name as per NRIC/ Passport/ Certificate of Incorporation in capital letters)

*Company/NRIC/Passport No. of
(full address)

..... being a member of **SC ESTATE BUILDER BERHAD**

hereby appoint NRIC No./Passport No.
(full name as per NRIC/Passport in capital letters)

* and/or failing him/her, NRIC No./Passport No. or failing
(full name as per NRIC/Passport in capital letters)

him/her, the Chairman of the Meeting as *my/our proxy, to vote for *me/us on *my/our behalf at the Seventeenth Annual General Meeting (“**17th AGM**”) of the Company to be held on a fully virtual basis conducted entirely through live streaming and remote voting using the remote participation and voting facilities hosted on the voting facilities at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd (Domain Registration No. with MYNIC – D1A282781) on Friday, 31 December 2021 at 2.00 p.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of 17th AGM:-

*My/Our proxy(ies) *is/are to vote as indicated below:-

Ordinary Business		For	Against
Ordinary Resolution 1	To approve the Directors’ fees payable for the financial year ending 31 July 2022.		
Ordinary Resolution 2	To approve the benefits payable to the Directors.		
Ordinary Resolution 3	To re-elect Mr. Loh Boon Ginn as Director (Clause 123).		
Ordinary Resolution 4	To re-elect Ms. Kuay Jeaneve as Director (Clause 106).		
Ordinary Resolution 5	To re-elect Ms. Kuay Jen Nie as Director (Clause 106).		
Ordinary Resolution 6	To re-elect Mr. Chee Jun Ann as Director (Clause 106).		
Ordinary Resolution 7	To re-elect Ms. Jospinna Binti Pudun as Director (Clause 106).		
Ordinary Resolution 8	To re-elect Mr. Loo Tze Ming as Director (Clause 106).		
Ordinary Resolution 9	To re-elect Ms. Chan Wei Xi as Director (Clause 106).		
Ordinary Resolution 10	To re-elect Mr. Soo Ting Hooi as Director (Clause 106).		
Special Business			
Ordinary Resolution 11	Authority to issue shares pursuant to the Companies Act 2016.		

(Please indicate with “X” in the appropriate box against each Resolution how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.)

* **Delete if not applicable**

Signed this _____ day of _____, 2021

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Signature(s)/Common Seal of Member(s)

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Notes:-

1. The AGM of the Company will be held as a fully virtual basis conducted entirely through live streaming and remote voting using the remote participation and voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") which are available on its TIH Online website at <https://tiah.online>. Please read carefully and follow the procedures provided in the Administrative Notes in order to register, participate and vote remotely via the RPV facilities.
2. As guided by the Securities Commission Malaysia's Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members and proxies shall communicate with the broadcast venue of the Meeting via real time submission of typed texts through a text box within Tricor e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members and proxies may email their questions to tiah.online@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 27 December 2021 shall be eligible to attend, speak and vote at the AGM.
4. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same general meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, under its common seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.
7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.

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AFFIX STAMP

SC ESTATE BUILDER BERHAD

[Registration No. 200401017162 (655665-T)]

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan

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8. Where a member is an exempt authorised nominee which holds deposited securities in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
9. Appointment of proxy and registration for remote participation and voting
The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited into the following manner, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof:-
Hardcopy form (applicable for all members)
The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.