

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	AS AT CURRENT PERIOD ENDED 31 DECEMBER 2016 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2015 RM'000 (audited)
ASSETS		
Non-current assets		
Investment in associates	106,505	110,444
Investment in a joint venture	1,641	1,641
Property, plant and equipment	4,820	5,074
Biological assets	1,392	1,397
Investment properties	49,195	50,044
Land held for property development	101,772	120,301
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	1,752	2,646
	276,791	301,261
Current assets		
Inventories	43,800	45,288
Property development costs	182,074	172,363
Trade and other receivables	36,009	42,085
Amount owing by contract customers	3,201	5,298
Amount owing by associates	4,310	5,336
Tax recoverable	675	755
Cash and bank balances	12,805	7,714
	282,874	278,839
TOTAL ASSETS	559,665	580,100
EQUITY AND LIABILITIES		
EQUITY		
Share capital	234,831	234,831
Treasury shares	(51)	(51)
Reserves	152,543	142,987
Total Equity Attributable to Owners of the Company	387,323	377,767
Non-controlling interests	(101)	(35)
Total equity	387,222	377,732
Non-current liabilities		
Long term borrowings	65,775	19,168
Deferred tax liabilities	1,500	1,500
	67,275	20,668
Current liabilities		
Amount owing to contract customers	2,414	2,860
Trade and other payables	45,015	103,412
Short term borrowings	29,948	35,398
Bank overdrafts	18,181	26,833
Provision for taxation	9,610	13,197
	105,168	181,700
Total liabilities	172,443	202,368
TOTAL EQUITY AND LIABILITIES	559,665	580,100
Net assets per share (in sen)	165	161

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2015

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER 31 DECEMBER 2015 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2014 RM'000 (unaudited)	CURRENT YEAR TO DATE 31 DECEMBER 2015 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2014 RM'000 (unaudited)
Continuing Operations				
Revenue	29,833	18,237	129,069	88,610
Cost of sales	(26,539)	(11,945)	(96,724)	(58,317)
Gross profit	3,294	6,292	32,345	30,293
Operating expenses	(3,516)	(5,528)	(11,684)	(14,499)
Depreciation and amortisation	(460)	(670)	(1,373)	(1,168)
Other income including investment income	1,523	2,306	2,126	2,962
Interest income	49	23	93	36
Finance cost	(1,163)	(1,275)	(3,405)	(2,638)
Share of profit of associates	(21)	229	2,061	3,842
Share of results in JV	0	42	0	42
Profit before tax	(294)	1,419	20,163	18,870
Income tax expense	(2,087)	2,543	(6,915)	(5,413)
Total comprehensive income	(2,381)	3,962	13,248	13,457
Profit attributable to:-				
Owners of the Parent	(2,356)	4,003	13,314	13,579
Non-controlling interests	(25)	(41)	(66)	(122)
	(2,381)	3,962	13,248	13,457
Earnings per share (in sen)				
Basic earnings per share (in sen)	(1.00)	4.22	5.67	14.33
Diluted earnings per share (in sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

SBC CORPORATION BERHAD
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED 31 DECEMBER 2015

	Attributable to Owners of the Parent						Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Legal Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total RM'000		
Balance at 1 April 2014	156,573	84,926	265	(51)	126,002	367,715	135	367,850
Total comprehensive income					17,767	17,767	(170)	17,597
Contributions by and distributions to owners of the Company:								
- Issuance of shares	78,258	(78,258)				-		-
- share issuance expenses		(281)				(281)		(281)
- Dividend					(7,434)	(7,434)		(7,434)
Balance at 31 March 2015 <i>(audited)</i>	234,831	6,387	265	(51)	136,335	377,767	(35)	377,732
Total comprehensive income					13,314	13,314	(66)	13,248
Contributions by and distributions to owners of the Company:								
- Dividend					(3,758)	(3,758)		(3,758)
Balance at 31 December 2015 <i>(unaudited)</i>	234,831	6,387	265	(51)	145,891	387,323	(101)	387,222

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2016

	9 MONTHS ENDED 31 DECEMBER 2016 RM'000 <i>(unaudited)</i>	9 MONTHS ENDED 31 DECEMBER 2014 RM'000 <i>(unaudited)</i>
1 CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	20,163	18,870
Adjustments for:		
Depreciation of property, plant and equipment	1,373	1,168
Interest expense	3,405	2,638
Interest income	(93)	(36)
Share of profit in associates	(2,061)	(3,842)
Share of results in joint venture	-	(42)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	22,787	18,766
Decrease / (increase) in property development cost	8,818	(29,847)
Decrease in inventory	1,488	6,351
(Decrease) / Increase in payables	(58,397)	17,087
Decrease in receivables	6,076	18,292
Net decrease / (increase) in amount owing by contract customers	1,651	(8,813)
CASH (FOR)/FROM OPERATIONS	(17,577)	21,826
Interest paid	(3,405)	(2,638)
Taxes paid	(9,528)	(11,237)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(30,510)	7,951
2 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	93	36
Dividend received from associates	6,000	3,000
Purchase of property, plant and equipment	(265)	(916)
Proceeds from associates	1,026	280
NET CASH FROM INVESTING ACTIVITIES	6,854	2,400
3 CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net drawdown/(repayment) of loans	41,157	(2,539)
Payment of expenses on issuance of bonus/rights shares	-	(262)
Other long term liabilities	-	(12,963)
Dividend paid to holders of ordinary shares	(3,758)	(7,434)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	37,399	(23,198)
4 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,743	(12,847)
5 CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(19,119)	(10,335)
6 CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(5,376)	(23,182)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2015)

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

A1) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position performance of the group since the year ended 31 March 2015.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2015 was not qualified.

A3) Seasonality or Cyclicity of Operations

There were no seasonal factors directly affecting the operations of the Group, except for economic cyclical factors which will have an impact on the property and construction sectors.

A4) Unusual Events

There were no unusual event recorded during the financial period under review.

A5) Changes in Estimates

There were no changes in estimates since the financial year ended 31 March 2015.

A6) Issuance and Repayment of Debt and Equity Instruments

There were no issuance or repayment of debt and equity securities, share cancellation and resale of treasury shares for the quarter under review.

As at 31 December 2015, the number of treasury shares held in hand are 58,900 shares.

A7) Dividend Paid

There was no dividend paid during the financial period under review.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

A8) Segmental Reporting

Business Segments:-

	Revenue RM'000	Profit Before Tax RM'000	Assets Employed RM'000
Construction	37,661	(2,557)	92,956
Property Development	122,292	20,599	510,337
Investment	5,659	(168)	344,534
Less : Inter-segment	(36,543)	2,289	(388,162)
Group	129,069	20,163	559,665

A9) Material Subsequent Events

There was no material event subsequent to the end of the financial period under review.

A10) Changes in Corporate Structure

There was no change in corporate structure to the end of the financial period under review.

A11) Contingent Liabilities / Assets

There were no material contingent liabilities for the Group as at the date of this announcement.

A12) Realised and Unrealised Profits / Losses Disclosure

	Quarter ended 31/12/2015 RM'000	As at preceding financial year ended 31/03/2015 RM'000
Total retained profits		
- Realised	221,578	230,549
- Unrealised	(2,910)	(2,910)
Less: Consolidation adjustments	<u>(72,777)</u>	<u>(91,304)</u>
Total Group Retained Profits as per consolidated accounts	145,891	136,335

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B1) Performance Review

The Group recorded revenue of RM129.07 million for the period ended 31 December 2015 compared to the corresponding period of the preceding year of RM88.61 million. The profit before tax for the period was RM20.16 million compared to the corresponding preceding year of RM18.87 million. The increase in profit before tax is mainly due to the ongoing progress billing of current Dex Suites and Cantonment Exchange projects offset against costs and expenses.

The breakdown of its revenue is as follows:-

Revenue	Quarter ended 31/12/2015 RM'000	Year-to-date ended 31/12/2015 RM'000
Construction	10,769	37,661
Property Development	29,382	122,292
Investment	1,926	5,659
Less: Inter-segment	(12,244)	(36,543)
	<u>29,833</u>	<u>129,069</u>

Profit Before Tax	Quarter ended 31/12/2015 RM'000	Year-to-date ended 31/12/2015 RM'000
Construction	(3,513)	(2,557)
Property Development	5,553	20,599
Investment	813	(168)
Less: Inter-segment	(3,147)	2,289
	<u>(294)</u>	<u>20,163</u>

B2) Comparison of profit before tax for the quarter with the immediate preceding quarter

The revenue for the current quarter is RM29.83 million compared to the preceding quarter of RM42.69 million. The loss before tax for the current quarter was reported at RM0.29 million as compared to the profit before tax for the preceding quarter of RM7.53 million. The decrease in profit before tax is mainly due to additional cost incurred for completed projects involving improvements, additions and supplementary works that were not budgeted for.

B3) Business Prospects

Barring any unforeseen circumstances, the Board of Directors is optimistic about the prospects moving forward because the Group has four projects to launch namely Jesselton Quay Project, Kapas Bangsar Project, Dexpad Project and Batang Kali Project.

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B5) Taxation

	Current year Quarter 31/12/2015 RM'000	Preceding year Corresponding Quarter ended 31/12/2014 RM'000	Current year To date 31/12/2015 RM'000	Preceding year Corresponding Period 31/12/2014 RM'000
Income tax expense	2,087	(2,543)	6,915	5,413
	<u>2,087</u>	<u>(2,543)</u>	<u>6,915</u>	<u>5,413</u>

The effective tax rate for the quarter is higher than the statutory tax rate of 24% largely due to certain expenses not subject to tax deduction.

B6) Status of Corporate Proposals

On 13 August 2015, the Company announced that it proposed to seek a renewal of authority from shareholders of the Company for the purchase of its own ordinary shares on Bursa Malaysia Securities Bhd of not more than ten percent (10%) of the issued and paid up share capital of the Company ("Proposed Shares Buy-Back Renewal") at the forthcoming Annual General Meeting.

At the Annual General Meeting held on 28 September 2015, the shareholders of the Company had approved the Proposed Share Buy-Back Renewal.

B7) Details of Group Borrowings and Debt Securities

Group Borrowings

	As at Current Period ended 31/12/2015 RM'000	As at Preceding Financial Year Ended 31/03/2015 RM'000
<u>Current</u>		
Bank overdraft (secured)	18,181	26,833
Banker's acceptance (secured)	8,000	10,000
Term loans (secured)	21,687	25,141
Hire Purchase (secured)	261	257
	<u>48,129</u>	<u>62,231</u>
<u>Non Current</u>		
Term loans (secured)	65,392	18,579
Hire Purchase (secured)	383	589
	<u>113,904</u>	<u>81,399</u>

B8) Gains or Losses arising from Fair Value Changes of Financial Liabilities

There were no gains or losses recognized for changes in the fair values of these liabilities for the financial period under review.

B9) Material Litigation

There were no pending material litigations for the financial period under review.

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B10) Dividend

Not applicable.

B11) Earnings per ordinary share

Basic earnings per share ("EPS") is derived by dividing the profit after tax attributable to owners of the Parent by weighted average number of 234,771,885 (2nd quarter 2015: 234,771,885) ordinary shares of the Company in issue during the financial period under review, excluding treasury shares of 58,900 units held by the Company:-

	Quarter ended 31/12/2015 RM'000	Year to date ended 31/12/2015 RM'000
(Loss)/Profit attributable to Owners of the Parent	(2,356)	13,314
Basic earnings per share (in sen)	(1.00)	5.67

The computation of diluted EPS in respect of the financial period under review is not applicable.

B12) Profit before tax

Profit before tax is arrived at after charging/(crediting) the following items:

	Quarter Ended 31/12/2015 RM'000	Year-to-date Ended 31/12/2015 RM'000
(a) Interest income	(49)	(93)
(b) Other income including investment income	(1,523)	(2,126)
(c) Interest expense	1,163	3,405
(d) Depreciation and amortization	460	1,373
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted Investment properties	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange gain or (loss)	-	-
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-