

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

	AS AT CURRENT PERIOD ENDED 31 MARCH 2016 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2015 RM'000 (audited)
ASSETS		
Non-current assets		
Investment in associates	107,967	110,444
Investment in a joint venture	1,657	1,641
Property, plant and equipment	4,624	5,074
Biological assets	1,374	1,397
Investment properties	49,019	50,044
Land held for property development	102,003	120,301
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	1,945	2,646
	278,303	301,261
Current assets		
Inventories	43,800	45,288
Property development costs	185,149	172,363
Trade and other receivables	31,860	42,085
Amount owing by contract customers	6,523	5,298
Amount owing by associates	4,207	5,336
Tax recoverable	644	755
Cash and bank balances	7,072	7,714
	279,255	278,839
	557,558	580,100
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	234,831	234,831
Treasury shares	(51)	(51)
Reserves	152,904	142,987
Total Equity Attributable to Owners of the Company	387,684	377,767
Non-controlling interests	(131)	(35)
Total equity	387,553	377,732
Non-current liabilities		
Long term borrowings	61,953	19,168
Deferred tax liabilities	1,500	1,500
	63,453	20,668
Current liabilities		
Amount owing to contract customers	3,591	2,860
Trade and other payables	51,763	103,412
Short term borrowings	28,406	35,398
Bank overdrafts	18,548	26,833
Provision for taxation	4,244	13,197
	106,552	181,700
Total liabilities	170,005	202,368
TOTAL EQUITY AND LIABILITIES	557,558	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 MARCH 2016

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 MARCH 2016 RM'000 (<i>unaudited</i>)	31 MARCH 2015 RM'000 (<i>unaudited</i>)	31 MARCH 2016 RM'000 (<i>unaudited</i>)	31 MARCH 2015 RM'000 (<i>audited</i>)
Continuing Operations				
Revenue	21,668	60,722	150,737	152,812
Cost of sales	(19,225)	(51,162)	(115,949)	(108,571)
Gross profit	2,443	9,560	34,788	44,241
Operating expenses	(4,553)	(6,168)	(16,237)	(20,545)
Depreciation and amortisation	(369)	(383)	(1,742)	(1,659)
Other income including investment income	666	2,440	2,792	2,477
Interest income	12	122	105	214
Finance cost	(938)	(917)	(4,343)	(3,676)
Share of profit of associates	1,462	506	3,523	4,348
Share of results in JV	16	(59)	16	(16)
Profit before tax	(1,261)	5,101	18,902	25,384
Income tax expense	1,591	(225)	(5,324)	(7,787)
Total comprehensive income	330	4,876	13,578	17,597
Profit attributable to:-				
Owners of the Parent	360	4,924	13,674	17,767
Non-controlling interests	(30)	(48)	(96)	(170)
	330	4,876	13,578	17,597
Earnings per share (in sen)				
Basic earnings per share (in sen)	0.15	2.10	5.82	7.57
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 MARCH 2016

	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					13,674	13,674	(96)	13,578
Contributions by and distributions to owners of the Company:								
- Dividend					(3,757)	(3,757)		(3,757)
Balance at 31 March 2016 <i>(unaudited)</i>	234,831	6,387	265	(51)	146,252	387,684	(131)	387,553

(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 MARCH 2016

	12 MONTHS ENDED 31 MARCH 2016 RM'000 (unaudited)	12 MONTHS ENDED 31 MARCH 2015 RM'000 (audited)
1 CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	18,902	25,384
Adjustments for:		
Accretion of payables and receivables	-	(970)
Depreciation of property, plant and equipment	1,742	1,659
Gain on disposal of property, plant and equipment	-	(62)
Interest expense	4,343	2,528
Interest income	(105)	(214)
Share of profit in associates	(3,523)	(4,348)
Share of results in joint venture	(16)	16
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21,343	23,993
Decrease / (Increase) in property development cost	5,903	(38,423)
Decrease in inventory	1,488	3,879
(Decrease) / Increase in payables	(51,649)	7,192
Decrease in receivables	10,225	1,394
Decrease in amount owing by associates	1,129	2,717
Net increase in amount owing by contract customers	(494)	(2,164)
CASH FOR OPERATIONS	(12,055)	(1,412)
Interest paid	(4,343)	(2,528)
Taxes paid	(13,465)	(14,224)
NET CASH FOR OPERATING ACTIVITIES	(29,863)	(18,164)
2 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	105	214
Dividend received from associates	6,000	3,153
Cost incurred on biological assets	(37)	(280)
Purchase of property, plant and equipment	(207)	(236)
Purchase of investment properties	-	(20)
Payment for land held for property development	(391)	(4,186)
Proceeds from disposal of property, plant and equipment	-	62
Proceeds from joint venture	-	1,332
NET CASH FROM INVESTING ACTIVITIES	5,470	39
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of loans	35,793	17,056
Payment of expenses on issuance of bonus/rights shares	-	(281)
Dividend paid to holders of ordinary shares	(3,757)	(7,434)
NET CASH FROM FINANCING ACTIVITIES	32,036	9,341
4 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,643	(8,784)
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	(11,476)	(19,119)

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

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 events 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 March 2016, the number of treasury shares held in hand are 58,900 shares.

A7) Dividend Paid

On 3rd November 2015, the Company paid a first and final single tier dividend of 1.6 sen on the ordinary shares amounting to RM3,756,348.96 in respect of the financial year ended 31 March 2015.

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	38,380	(2,294)	91,131
Property Development	149,786	15,017	507,218
Investment	7,595	(463)	342,525
Less : Inter-segment	(45,024)	6,642	(383,316)
Group	150,737	18,902	557,558

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 31/03/2016 RM'000	As at preceding financial year ended 31/03/2015 RM'000
Total retained profits		
- Realised	214,452	230,549
- Unrealised	(2,220)	(2,910)
Less: Consolidation adjustments	<u>(65,980)</u>	<u>(91,304)</u>
Total Group Retained Profits as per consolidated accounts	146,252	136,335

B1) Performance Review

The Group recorded revenue of RM150.74 million for the year ended 31 March 2016 compared to the corresponding period of the preceding year of RM152.81 million. The profit before tax for the period was RM18.90 million compared to the corresponding preceding year of RM25.38 million. The decrease in profit before tax is mainly due to additional costs incurred on goods sold.

The breakdown of its revenue is as follows:-

Revenue	Quarter ended 31/03/2016 RM'000	Year-to-date ended 31/03/2016 RM'000
Construction	719	38,380
Property Development	27,495	149,787
Investment	1,936	7,595
Less: Inter-segment	(8,482)	(45,025)
	<u>21,668</u>	<u>150,737</u>

Profit Before Tax	Quarter ended 31/03/2016 RM'000	Year-to-date ended 31/03/2016 RM'000
Construction	263	(2,294)
Property Development	(5,582)	15,017
Investment	(295)	(463)
Add: Inter-segment	4,353	6,642
	<u>(1,261)</u>	<u>18,902</u>

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

The revenue for the current quarter is RM21.67 million compared to the preceding quarter of RM29.83 million. The loss before tax for the current quarter was reported at RM1.26 million as compared to the loss before tax for the preceding quarter of RM0.29 million. The increase in loss before tax is mainly due to additional costs incurred on goods sold.

B3) Business Prospects

Barring any unforeseen circumstances, the Board of Directors is optimistic about the prospects moving forward because the Group plans to launch namely Jesselton Quay (Kota Kinabalu), Kapas Bangsar (Kuala Lumpur), and Batang Kali (Selangor).

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 31/03/2016 RM'000	Preceding year Corresponding Quarter ended 31/03/2015 RM'000	Current year To date 31/03/2016 RM'000	Preceding year Corresponding Period 31/03/2015 RM'000
Income tax expense	(1,591)	225	5,324	7,787
	<u>(1,591)</u>	<u>225</u>	<u>5,324</u>	<u>7,787</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 31/03/2016 RM'000	As at Preceding Financial Year Ended 31/03/2015 RM'000
<u>Current</u>		
Bank overdraft (secured)	18,548	26,833
Banker’s acceptance (secured)	7,000	10,000
Revolving loan (secured)	10,000	10,000
Term loans (secured)	11,145	15,141
Hire Purchase (secured)	261	257
	<u>46,954</u>	<u>62,231</u>
<u>Non Current</u>		
Term loans (secured)	61,634	18,579
Hire Purchase (secured)	319	589
	<u>108,907</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.

B10) Dividend

The Directors have recommended a first and final single tier dividend of 0.46 sen per share amounting to RM1,079,950.67 for the financial year ended 31 March 2016 in respect of ordinary shares as follows:-

- (a) (i) Amount per share: 0.46 sen single tier
- (ii) Previous corresponding period: 1.6 sen single tier.
- (iii) Total dividend for the financial year ended 31 March 2016: 0.46 sen single tier per share
- (b) The date of entitlement to dividend and the date of dividend payment will be announced at a later date.

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 (3rd 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 31/03/2016 RM’000	Year to date ended 31/03/2016 RM’000
Profit attributable to Owners of the Parent	360	13,674
Basic earnings per share (in sen)	0.15	5.82

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 31/03/2016 RM’000	Year-to-date Ended 31/03/2016 RM’000
(a) Interest income	(12)	(105)
(b) Other income including investment income	(666)	(2,792)
(c) Interest expense	938	4,343
(d) Depreciation and amortization	369	1,742
(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	-	-