

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016

	AS AT CURRENT PERIOD ENDED 30 JUNE 2016 RM'000 ( <i>unaudited</i> )	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2016 RM'000 ( <i>audited</i> )
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associates	107,995	107,762
Investment in a joint venture	1,657	1,657
Property, plant and equipment	4,567	4,625
Biological assets	1,356	1,374
Investment properties	48,761	49,017
Land held for property development	126,138	125,984
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	1,895	1,926
	302,083	302,059
<b>Current assets</b>		
Inventories	43,800	43,800
Property development costs	141,675	151,737
Trade and other receivables	59,889	57,944
Amount owing by contract customers	3,851	4,075
Amount owing by associates	3,383	3,383
Tax recoverable	1,779	686
Cash and bank balances	15,300	10,100
	269,677	271,725
	571,760	573,784
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	234,831	234,831
Treasury shares	(51)	(51)
Reserves	152,695	152,629
Total Equity Attributable to Owners of the Company	387,475	387,409
Non-controlling interests	(201)	(131)
<b>Total equity</b>	387,274	387,278
<b>Non-current liabilities</b>		
Long term borrowings	60,402	62,302
Other long term liabilities	12,083	12,083
Deferred tax liabilities	1,500	1,500
	73,985	75,885
<b>Current liabilities</b>		
Trade and other payables	50,054	58,452
Amount owing to contract customers	7,710	3,547
Short term borrowings	36,112	29,065
Bank overdrafts	15,732	16,331
Provision for taxation	893	3,226
	110,501	110,621
<b>Total liabilities</b>	184,486	186,506
<b>TOTAL EQUITY AND LIABILITIES</b>	571,760	573,784
<b>Net assets per share (in sen)</b>	165	165

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER 30 JUNE 2016 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2015 RM'000 (unaudited)	TO DATE CURRENT YEAR 30 JUNE 2016 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 30 JUNE 2015 RM'000 (unaudited)
<b>Continuing Operations</b>				
Revenue	20,125	56,543	20,125	56,543
Cost of sales	(15,143)	(39,273)	(15,143)	(39,273)
<b>Gross profit</b>	<b>4,982</b>	<b>17,270</b>	<b>4,982</b>	<b>17,270</b>
Operating expenses	(4,062)	(5,014)	(4,062)	(5,014)
Depreciation and amortisation	(358)	(442)	(358)	(442)
Other income including investment income	569	354	569	354
Interest income	33	12	33	12
Finance cost	(1,019)	(1,215)	(1,019)	(1,215)
Share of profit of associates	233	1,961	233	1,961
<b>Profit before tax</b>	<b>378</b>	<b>12,926</b>	<b>378</b>	<b>12,926</b>
Income tax expense	(382)	(2,992)	(382)	(2,992)
<b>Total comprehensive income</b>	<b>(4)</b>	<b>9,934</b>	<b>(4)</b>	<b>9,934</b>
<b>Profit attributable to:-</b>				
Owners of the Parent	66	9,999	66	9,999
Non-controlling interests	(70)	(65)	(70)	(65)
	<b>(4)</b>	<b>9,934</b>	<b>(4)</b>	<b>9,934</b>
<b>Earnings per share (in sen)</b>				
Basic earnings per share (in sen)	0.03	4.26	0.03	4.26
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 2016)*

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2016

	Attributable to Owners of the Parent						Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable			
			Share Premium RM'000	Legal Reserve RM'000	Retained Profits RM'000	Total RM'000		
Balance at 1 April 2015	234,831	(51)	6,387	265	136,335	377,767	(35)	377,732
Total comprehensive income					13,399	13,399	(96)	13,303
Contributions by and distributions to owners of the Company: - Dividend					(3,757)	(3,757)		(3,757)
Balance at 31 March 2016 <i>(audited)</i>	234,831	(51)	6,387	265	145,977	387,409	(131)	387,278
Total comprehensive income					66	66	(70)	(4)
Contributions by and distributions to owners of the Company: - Dividend					-	-	-	-
Balance at 30 June 2016 <i>(unaudited)</i>	234,831	(51)	6,387	265	146,043	387,475	(201)	387,274

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

	<b>3 MONTHS ENDED 30 JUNE 2016 RM'000 (unaudited)</b>	<b>3 MONTHS ENDED 30 JUNE 2015 RM'000 (unaudited)</b>
<b>1 CASH FLOWS FOR OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>378</b>	<b>12,926</b>
Adjustments for:		
Depreciation of property, plant and equipment	426	442
Interest expense	1,019	1,215
Interest income	(33)	(12)
Share of profit in associates	(233)	(1,961)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,557</b>	<b>12,610</b>
Decrease / (Increase) in property development cost	10,062	(10,907)
Decrease in inventory	-	319
Decrease in payables	(8,401)	(11,655)
Increase in receivables	(1,945)	(12,627)
Net decrease/(increase) in amount owing by/(to) contract customers	4,387	(2,919)
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>5,660</b>	<b>(25,179)</b>
Interest paid	(1,019)	(1,215)
Taxes paid	(3,777)	(2,297)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>864</b>	<b>(28,691)</b>
<b>2 CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	33	12
Purchase of property, plant and equipment	(91)	(104)
Payment for land held for property development	(154)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(212)</b>	<b>(92)</b>
<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of loans	5,147	26,803
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>5,147</b>	<b>26,803</b>
<b>4 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,799</b>	<b>(1,980)</b>
<b>5 CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>(6,231)</b>	<b>(19,119)</b>
<b>6 CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>(432)</b>	<b>(21,099)</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2016)*

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 2016. 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 2016.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2016 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 2016.

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

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	6,462	(529)	92,990
Property Development	22,200	(163)	520,507
Investment	1,767	(172)	342,315
Less : Inter-segment	(10,304)	1,242	(384,052)
Group	20,125	378	571,760

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 30/06/2016 RM'000	As at preceding financial year ended 31/03/2016 RM'000
Total retained profits		
- Realised	220,180	221,396
- Unrealised	(6,578)	(6,578)
Less: Consolidation adjustments	<u>(67,559)</u>	<u>(68,841)</u>
Total Group Retained Profits as per consolidated accounts	146,043	145,977

B1) Performance Review

The Group recorded revenue of RM20.13 million for the period ended 30 June 2016 compared to the corresponding period of the preceding year of RM56.54 million. The profit before tax for the period was RM0.38 million compared to the corresponding preceding year of RM12.93 million. The decrease in profit before tax in this quarter is mostly reflective of timing before commencement of new projects and completion of earlier projects.

The breakdown of its revenue is as follows:-

Revenue	Quarter ended 30/06/2016 RM'000	Year-to-date ended 30/06/2016 RM'000
Construction	6,462	6,462
Property Development	22,200	22,200
Investment	1,767	1,767
Less: Inter-segment	(10,304)	(10,304)
	<u>20,125</u>	<u>20,125</u>

Profit Before Tax	Quarter ended 30/06/2016 RM'000	Year-to-date ended 30/06/2016 RM'000
Construction	(529)	(529)
Property Development	(163)	(163)
Investment	(172)	(172)
Add: Inter-segment	1,242	1,242
	<u>378</u>	<u>378</u>

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

The revenue for the current quarter is RM20.13 million compared to the preceding quarter of RM21.67 million. The profit before tax for the current quarter was reported at RM0.38 million as compared to the loss before tax for the preceding quarter of RM1.26 million. The increase in profit before tax is mainly due to lesser imputed project costs incurred in the current quarter.

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) and Kapas Bangsar (Kuala Lumpur) before end of the year.

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

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NOTES TO INTERIM FINANCIAL REPORT

B5) Taxation

	Current year Quarter 30/06/2016 RM'000	Preceding year Corresponding Quarter ended 30/06/2015 RM'000	Current year To date 30/06/2016 RM'000	Preceding year Corresponding Period 30/06/2015 RM'000
Income tax expense	382	2,992	382	2,992
	<u>382</u>	<u>2,992</u>	<u>382</u>	<u>2,992</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 28 July 2016, 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.

B7) Details of Group Borrowings and Debt Securities

Group Borrowings

	As at Current Period ended 30/06/2016 RM'000	As at Preceding Financial Year Ended 31/03/2016 RM'000
<u>Current</u>		
Bank overdraft (secured)	15,732	16,331
Banker's acceptance (secured)	7,500	8,000
Revolving loan (secured)	10,000	10,000
Term loans (secured)	18,388	10,822
Hire Purchase (secured)	224	243
	<u>51,844</u>	<u>45,396</u>
<u>Non Current</u>		
Term loans (secured)	60,102	61,957
Hire Purchase (secured)	300	345
	<u>112,246</u>	<u>107,698</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.



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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 (1st quarter 2016: 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 30/06/2016 RM'000	Year-to-date ended 30/06/2016 RM'000
Profit attributable to Owners of the Parent	66	66
Basic earnings per share (in sen)	0.03	0.03
Diluted earnings per share (in sen)	0.03	0.03

B12) Profit before tax

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

	Quarter ended 30/06/2016 RM'000	Year-to-date ended 30/06/2016 RM'000
(a) Interest income	(33)	(33)
(b) Other income including investment income	(569)	(569)
(c) Interest expense	1,019	1,019
(d) Depreciation and amortisation	426	426
(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	-	-