

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

	AS AT CURRENT PERIOD ENDED 30 SEPTEMBER 2016 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2016 RM'000 (audited)
ASSETS		
Non-current assets		
Investment in associates	109,493	107,762
Investment in a joint venture	1,657	1,657
Property, plant and equipment	4,414	4,625
Biological assets	1,338	1,374
Investment properties	48,504	49,017
Land held for property development	126,583	125,984
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	1,724	1,926
	303,427	302,059
Current assets		
Inventories	43,800	43,800
Property development costs	139,520	151,737
Trade and other receivables	52,177	57,944
Amount owing by contract customers	3,855	4,075
Amount owing by associates	3,366	3,383
Tax recoverable	4,257	686
Cash and bank balances	22,435	10,100
	269,410	271,725
	572,837	573,784
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	234,831	234,831
Treasury shares	(51)	(51)
Reserves	153,268	152,629
Total Equity Attributable to Owners of the Company	388,048	387,409
Non-controlling interests	(469)	(131)
Total equity	387,579	387,278
Non-current liabilities		
Long term borrowings	58,645	62,302
Other long term liabilities	12,494	12,083
Deferred tax liabilities	1,500	1,500
	72,639	75,885
Current liabilities		
Trade and other payables	53,105	58,452
Amount owing to contract customers	5,201	3,547
Short term borrowings	36,969	29,065
Bank overdrafts	16,227	16,331
Provision for taxation	1,117	3,226
	112,619	110,621
Total liabilities	185,258	186,506
TOTAL EQUITY AND LIABILITIES	572,837	573,784
Net assets per share (in sen)	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 SEPTEMBER 2016

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER 30 SEPTEMBER 2016 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2015 RM'000 (unaudited)	TO DATE 30 SEPTEMBER 2016 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2015 RM'000 (unaudited)
Continuing Operations				
Revenue	11,914	42,693	32,039	99,236
Cost of sales	(8,438)	(30,912)	(23,581)	(70,185)
Gross profit	3,476	11,781	8,458	29,051
Operating expenses	(2,744)	(3,154)	(6,806)	(8,168)
Depreciation and amortisation	(364)	(471)	(722)	(913)
Other income including investment income	462	249	1,031	603
Interest income	124	32	157	44
Finance cost	(1,473)	(1,027)	(2,492)	(2,242)
Share of profit of associates	1,616	121	1,849	2,082
Profit before tax	1,097	7,531	1,475	20,457
Income tax expense	(792)	(1,836)	(1,174)	(4,828)
Total comprehensive income	305	5,695	301	15,629
Profit attributable to:-				
Owners of the Parent	573	5,671	639	15,670
Non-controlling interests	(268)	24	(338)	(41)
	305	5,695	301	15,629
Earnings per share (in sen)				
Basic earnings per share (in sen)	0.24	2.42	0.27	6.67
Diluted earnings per share (in sen)	0.24	2.42	0.27	6.67

(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 SEPTEMBER 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 Share Premium RM'000	Legal Reserve RM'000	Distributable 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 (audited)	234,831	(51)	6,387	265	145,977	387,409	(131)	387,278
Total comprehensive income					639	639	(338)	301
Contributions by and distributions to owners of the Company: - Dividend					-	-	-	-
Balance at 30 September 2016 (unaudited)	234,831	(51)	6,387	265	146,616	388,048	(469)	387,579

(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 SEPTEMBER 2016

	6 MONTHS ENDED 30 SEPTEMBER 2016 RM'000 (unaudited)	6 MONTHS ENDED 30 SEPTEMBER 2015 RM'000 (unaudited)
1 CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	1,475	20,457
Adjustments for:		
Accretion of payables and receivables	411	-
Depreciation of property, plant and equipment	860	913
Interest expense	2,492	2,242
Interest income	(157)	(44)
Share of profit in associates	(1,849)	(2,082)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,232	21,486
Decrease / (Increase) in property development cost	12,217	(12,386)
Decrease in inventory	-	506
Decrease in payables	(5,345)	(35,579)
Decrease in receivables	5,767	14,147
Net decrease/(increase) in amount owing by/(to) contract customers	1,874	(2,886)
CASH FROM/(FOR) OPERATIONS	17,762	(14,712)
Interest paid	(2,492)	(2,242)
Taxes paid	(6,652)	(4,657)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	8,618	(21,611)
2 CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	157	44
Dividend received from associates	117	3,000
Purchase of property, plant and equipment	(101)	(216)
Payment for land held for property development	(599)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(426)	2,828
3 CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of loans	4,247	15,260
NET CASH FROM FINANCING ACTIVITIES	4,247	15,260
4 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12,439	(3,523)
5 CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(6,231)	(19,119)
6 CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	6,208	(22,642)

(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 30 September 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	8,402	(414)	86,678
Property Development	31,955	(1,655)	516,618
Investment	3,528	(151)	343,114
Less : Inter-segment	(11,846)	3,695	(373,573)
Group	<u>32,039</u>	<u>1,475</u>	<u>572,837</u>

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 30/09/2016 RM'000	As at preceding financial year ended 31/03/2016 RM'000
Total retained profits		
- Realised	218,203	221,396
- Unrealised	(6,578)	(6,578)
Less: Consolidation adjustments	<u>(65,010)</u>	<u>(68,841)</u>
Total Group Retained Profits as per consolidated accounts	146,615	145,977

B1) Performance Review

The Group recorded revenue of RM32.04 million for the period ended 30 September 2016 compared to the corresponding period of the preceding year of RM99.24 million. The profit before tax for the period was RM1.48 million compared to the corresponding preceding year of RM20.46 million. The decrease in profit before tax in this quarter is mostly reflective of timing between the completion of earlier projects and the commencement of new projects.

The breakdown of its revenue is as follows:-

Revenue	Quarter ended 30/09/2016 RM'000	Year-to-date ended 30/09/2016 RM'000
Construction	1,940	8,402
Property Development	9,755	31,955
Investment	1,761	3,528
Less: Inter-segment	(1,542)	(11,846)
	<u>11,914</u>	<u>32,039</u>

Profit Before Tax	Quarter ended 30/09/2016 RM'000	Year-to-date ended 30/09/2016 RM'000
Construction	115	(414)
Property Development	(1,492)	(1,655)
Investment	21	(151)
Add: Inter-segment	2,453	3,695
	<u>1,097</u>	<u>1,475</u>

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

The revenue for the current quarter is RM11.91 million compared to the preceding quarter of RM20.13 million. The profit before tax for the current quarter was reported at RM1.10 million as compared to the profit before tax for the preceding quarter of RM0.38 million. The increase in profit before tax is mainly due to lower cost of goods sold 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 commence work at Jesselton Quay (Kota Kinabalu) before end of the year.

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 30/09/2016 RM'000	Preceding year Corresponding Quarter ended 30/09/2015 RM'000	Current year To date 30/09/2016 RM'000	Preceding year Corresponding Period 30/09/2015 RM'000
Income tax expense	792	1,836	1,174	4,828
	<u>792</u>	<u>1,836</u>	<u>1,174</u>	<u>4,828</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 8 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.

At the Annual General Meeting held on 21 September 2016, 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 30/09/2016 RM'000	As at Preceding Financial Year Ended 31/03/2016 RM'000
<u>Current</u>		
Bank overdraft (secured)	16,227	16,331
Banker’s acceptance (secured)	4,500	8,000
Revolving loan (secured)	10,000	10,000
Term loans (secured)	22,261	10,822
Hire Purchase (secured)	208	243
	<u>53,196</u>	<u>45,396</u>
<u>Non Current</u>		
Term loans (secured)	58,393	61,957
Hire Purchase (secured)	252	345
	<u>111,841</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.

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 30/09/2016 RM'000	Year-to-date ended 30/09/2016 RM'000
Profit attributable to Owners of the Parent	573	639
Basic earnings per share (in sen)	0.24	0.27
Diluted earnings per share (in sen)	0.24	0.27

B12) Profit before tax

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

	Quarter ended 30/09/2016 RM'000	Year-to-date ended 30/09/2016 RM'000
(a) Interest income	(124)	(157)
(b) Other income including investment income	(462)	(1,031)
(c) Interest expense	1,473	2,492
(d) Depreciation and amortisation	434	860
(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	-	-