

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	AS AT CURRENT PERIOD ENDED 31 MARCH 2017 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2016 RM'000 (audited)
ASSETS		
Non-current assets		
Investment in associates	109,191	107,762
Investment in a joint venture	1,681	1,657
Property, plant and equipment	4,111	4,625
Biological assets	1,302	1,374
Investment properties	47,991	49,017
Land held for property development	126,788	125,984
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	2,028	1,926
	302,806	302,059
Current assets		
Inventories	41,152	43,800
Property development costs	126,006	151,737
Trade and other receivables	51,155	57,944
Amount owing by contract customers	2,789	4,075
Amount owing by associates	3,366	3,383
Tax recoverable	4,772	686
Short-term deposit with a licensed bank	600	-
Cash and bank balances	14,411	10,100
	244,251	271,725
TOTAL ASSETS	547,057	573,784
EQUITY AND LIABILITIES		
EQUITY		
Share capital	234,831	234,831
Treasury shares	(51)	(51)
Reserves	148,597	152,629
Total Equity Attributable to Owners of the Company	383,377	387,409
Non-controlling interests	(796)	(131)
Total equity	382,581	387,278
Non-current liabilities		
Long term borrowings	52,687	62,302
Other long term liabilities	12,906	12,083
Deferred tax liabilities	1,500	1,500
	67,093	75,885
Current liabilities		
Trade and other payables	50,719	58,452
Amount owing to contract customers	5,216	3,547
Short term borrowings	32,364	29,065
Bank overdrafts	7,863	16,331
Provision for taxation	1,221	3,226
	97,383	110,621
Total liabilities	164,476	186,506
TOTAL EQUITY AND LIABILITIES	547,057	573,784
Net assets per share (in sen)	163	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 31 MARCH 2017

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 MARCH 2017 RM'000 (<i>unaudited</i>)	31 MARCH 2016 RM'000 (<i>unaudited</i>)	31 MARCH 2017 RM'000 (<i>unaudited</i>)	31 MARCH 2016 RM'000 (<i>audited</i>)
Continuing Operations				
Revenue	13,612	21,668	67,280	139,480
Cost of sales	(12,031)	(19,225)	(52,071)	(111,519)
Gross profit	1,581	2,443	15,209	27,961
Operating expenses	(3,564)	(4,553)	(13,431)	(15,898)
Depreciation and amortisation	(364)	(369)	(1,448)	(1,468)
Other income including investment income	822	666	2,377	6,980
Interest income	151	12	362	109
Finance cost	(1,138)	(938)	(5,058)	(4,460)
Share of profit of associates	206	1,462	1,751	4,345
Share of results in JV	25	16	25	16
Profit before tax	(2,281)	(1,261)	(213)	17,585
Income tax expense	(839)	1,591	(3,404)	(4,282)
Total comprehensive income	(3,120)	330	(3,617)	13,303
Profit attributable to:-				
Owners of the Parent	(2,948)	360	(2,952)	13,399
Non-controlling interests	(172)	(30)	(665)	(96)
	(3,120)	330	(3,617)	13,303
Earnings per share (in sen)				
Basic earnings per share (in sen)	(1.26)	0.15	(1.26)	5.71
Diluted earnings per share (in sen)	(1.26)	0.15	(1.26)	5.71

(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 31 MARCH 2017

	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 <i>(audited)</i>	234,831	(51)	6,387	265	145,977	387,409	(131)	387,278
Total comprehensive income					(2,952)	(2,952)	(665)	(3,617)
Contributions by and distributions to owners of the Company: - Dividend					(1,080)	(1,080)	-	(1,080)
Balance at 31 March 2017 <i>(unaudited)</i>	234,831	(51)	6,387	265	141,945	383,377	(796)	382,581

(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 31 MARCH 2017

	12 MONTHS ENDED 31 MARCH 2017 RM'000 (unaudited)	12 MONTHS ENDED 31 MARCH 2016 RM'000 (audited)
1 CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	(213)	17,585
Adjustments for:		
Accretion of payables and receivables	823	(3,667)
Depreciation of property, plant and equipment	1,723	1,745
Interest expense	5,058	3,910
Interest income	(362)	(109)
Share of profit in associates	(1,751)	(4,345)
Share of results in joint venture	(25)	(16)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,253	15,103
Decrease in property development cost	25,731	15,921
Decrease in inventory	2,648	1,488
Decrease in payables	(7,732)	(15,210)
Decrease / (Increase) in receivables	6,789	(15,859)
Decrease in amount owing by associates	17	1,953
Net decrease in amount owing by/(to) contract customers	2,955	1,910
CASH FROM OPERATIONS	35,661	5,306
Interest paid	(5,058)	(3,910)
Taxes paid	(9,597)	(13,464)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	21,006	(12,068)
2 CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Interest received	362	109
Dividend received from associates	205	7,027
Cost incurred on biological assets	-	(37)
Purchase of property, plant and equipment	(111)	(209)
Payment for land held for property development	(804)	(978)
Proceeds from associates	117	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(231)	5,912
3 CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net drawdown of loans	(6,316)	22,801
Dividend paid to holders of ordinary shares	(1,080)	(3,757)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(7,396)	19,044
4 NET INCREASE IN CASH AND CASH EQUIVALENTS	13,379	12,888
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	7,148	(6,231)

(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 2017, the number of treasury shares held in hand are 58,900 shares.

A7) Dividend Paid

On 3rd November 2016, the Company paid a first and final single tier dividend of 0.46 sen on the ordinary shares amounting to RM1,079,947.17 in respect of the financial year ended 31 March 2016.

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	12,984	(2,691)	75,496
Property Development	66,429	(2,266)	485,386
Investment	7,080	(899)	339,260
Less : Inter-segment	(19,213)	5,643	(353,085)
Group	<u>67,280</u>	<u>(213)</u>	<u>547,057</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 31/03/2017 RM'000	As at preceding financial year ended 31/03/2016 RM'000
Total retained profits		
- Realised	210,953	221,396
- Unrealised	(6,578)	(6,578)
Less: Consolidation adjustments	<u>(62,430)</u>	<u>(68,841)</u>
Total Group Retained Profits as per consolidated accounts	141,945	145,977

B1) Performance Review

The Group recorded revenue of RM67.28 million for the year ended 31 March 2017 compared to the preceding year of RM139.48 million. The loss before tax for the year was RM0.21 million compared to the preceding year profit before tax of RM17.58 million. The loss before tax 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 31/03/2017 RM'000	Year-to-date ended 31/03/2017 RM'000
Construction	3,032	12,984
Property Development	17,863	66,429
Investment	1,785	7,080
Less: Inter-segment	(9,068)	(19,213)
	<u>13,612</u>	<u>67,280</u>

Profit Before Tax	Quarter ended 31/03/2017 RM'000	Year-to-date ended 31/03/2017 RM'000
Construction	(389)	(2,691)
Property Development	(852)	(2,266)
Investment	(150)	(899)
Add: Inter-segment	(890)	5,643
	<u>(2,281)</u>	<u>(213)</u>

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

The revenue for the current quarter is RM13.61 million compared to the preceding quarter of RM21.63 million. The loss before tax for the current quarter was reported at RM2.28 million as compared to the profit before tax for the preceding quarter of RM0.59 million. The loss before tax is mainly due to more discounts given to new property buyers and higher operating expenses incurred.

B3) Business Prospects

Barring any unforeseen circumstances, the Board of Directors is optimistic about the prospects moving forward because the Group has commenced work at Jesselton Quay (Kota Kinabalu) and the project will generate good prospects and activities to the Group in the coming years.

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 31/03/2017 RM'000	Preceding year Corresponding Quarter ended 31/03/2016 RM'000	Current year To date 31/03/2017 RM'000	Preceding year Corresponding Period 31/03/2016 RM'000
Income tax expense	839	(1,591)	3,404	4,282
	<u>839</u>	<u>(1,591)</u>	<u>3,404</u>	<u>4,282</u>

The effective tax rate for the period 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 31/03/2017 RM'000	As at Preceding Financial Year Ended 31/03/2016 RM'000
<u>Current</u>		
Bank overdraft (secured)	7,863	16,331
Banker’s acceptance (secured)	1,266	8,000
Revolving loan (secured)	10,000	10,000
Term loans (secured)	20,903	10,822
Hire Purchase (secured)	195	243
	<u>40,227</u>	<u>45,396</u>
<u>Non Current</u>		
Term loans (secured)	52,531	61,957
Hire Purchase (secured)	156	345
	<u>92,914</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

The Directors do not recommend the payment of final dividend for the financial year ended 31 March 2017. For the previous year ended 31 March, 2016, the Directors recommended a first and final single tier dividend of 0.46 sen per share which was paid on 3 November, 2016.

B11) Earnings per ordinary share

Basic earnings per share ("EPS") is derived by dividing the profit/(loss) after tax attributable to owners of the Parent by weighted average number of 234,771,885 (4th 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 31/03/2017 RM'000	Year-to-date ended 31/03/2017 RM'000
Loss attributable to Owners of the Parent	(2,948)	(2,952)
Basic earnings per share (in sen)	(1.26)	(1.26)
Diluted earnings per share (in sen)	(1.26)	(1.26)

B12) Profit before tax

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

	Quarter ended 31/03/2017 RM'000	Year-to-date ended 31/03/2017 RM'000
(a) Interest income	(151)	(362)
(b) Other income including investment income	(822)	(2,377)
(c) Interest expense	1,138	5,058
(d) Depreciation and amortisation	433	1,723
(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	-	-