

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	AS AT CURRENT FINANCIAL YEAR ENDED 31 MARCH 2018 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2017 RM'000 (audited)
ASSETS		
Non-current assets		
Investment in associates	111,317	109,191
Investment in a joint venture	1,365	1,681
Property, plant and equipment	4,764	4,111
Biological assets	1,231	1,302
Investment properties	46,965	47,991
Land held for property development	127,923	126,751
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	3,737	2,047
	307,016	302,788
Current assets		
Inventories	40,491	41,152
Property development costs	161,519	129,709
Trade and other receivables	40,000	46,893
Amount owing by contract customers	3,726	2,788
Amount owing by associates	3,366	3,366
Current tax assets	4,698	4,772
Short-term deposit with a licensed bank	930	600
Cash and bank balances	13,009	14,411
	267,739	243,691
TOTAL ASSETS	574,755	546,479
EQUITY AND LIABILITIES		
EQUITY		
Share capital	241,218	234,831
Treasury shares	(51)	(51)
Reserves	144,348	148,506
Total Equity Attributable to Owners of the Company	385,515	383,286
Non-controlling interests	(1,723)	(782)
Total equity	383,792	382,504
Non-current liabilities		
Deferred tax liabilities	1,500	1,500
Long term borrowings	34,041	51,573
Other long term liabilities	13,788	12,906
	49,329	65,979
Current liabilities		
Trade and other payables	50,733	49,826
Amount owing to contract customers	34,433	5,216
Short term borrowings	54,513	33,478
Bank overdrafts	924	7,863
Current tax liabilities	1,031	1,613
	141,634	97,996
Total liabilities	190,963	163,975
TOTAL EQUITY AND LIABILITIES	574,755	546,479
Net assets per share (in sen)	163	163

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2018

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	31 MARCH 2018 RM'000 (unaudited)	31 MARCH 2017 RM'000 (unaudited)	31 MARCH 2018 RM'000 (unaudited)	31 MARCH 2017 RM'000 (audited)
Continuing Operations				
Revenue	24,401	13,612	47,962	64,603
Cost of sales	(18,532)	(12,031)	(32,178)	(48,486)
Gross profit	5,869	1,581	15,784	16,117
Operating expenses	(4,939)	(3,564)	(14,960)	(14,019)
Depreciation and amortisation	(346)	(364)	(1,378)	(1,447)
Other income including investment income	679	822	4,794	2,354
Interest income	54	151	833	362
Finance cost	(1,078)	(1,138)	(4,047)	(5,059)
Share of profit of associates	1,228	206	3,257	1,751
Share of results in JV	(316)	25	(316)	24
Profit/(Loss) before tax	1,151	(2,281)	3,967	83
Income tax expense	(1,412)	(839)	(2,679)	(3,777)
Total comprehensive (expense)/income	(261)	(3,120)	1,288	(3,694)
Profit/(Loss) attributable to:-				
Owners of the Parent	100	(2,948)	2,229	(3,043)
Non-controlling interests	(361)	(172)	(941)	(651)
	(261)	(3,120)	1,288	(3,694)
Earnings per share (in sen)				
Basic earnings per share (in sen)	0.04	(1.26)	0.95	(1.30)
Diluted earnings per share (in sen)	0.04	(1.26)	0.95	(1.30)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2018

	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 2016	234,831	(51)	6,387	265	145,977	387,409	(131)	387,278
Total comprehensive expense					(3,043)	(3,043)	(651)	(3,694)
Contributions by and distributions to owners of the Company: - Dividend					(1,080)	(1,080)	-	(1,080)
Balance at 31 March 2017 <i>(audited)</i>	234,831	(51)	6,387	265	141,854	383,286	(782)	382,504
Transfer to share capital	6,387		(6,387)			-		-
Total comprehensive income					2,229	2,229	(941)	1,288
Contributions by and distributions to owners of the Company: - Dividend					-	-	-	-
Balance at 31 March 2018 <i>(unaudited)</i>	241,218	(51)	-	265	144,083	385,515	(1,723)	383,792

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2018

	12 MONTHS ENDED 31 MARCH 2018 RM'000 (unaudited)	12 MONTHS ENDED 31 MARCH 2017 RM'000 (audited)
1 CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,967	83
Adjustments for:		
Accretion of payables and receivables	1,159	823
Depreciation of property, plant and equipment	1,658	1,724
Interest expense	4,047	4,724
Interest income	(833)	(362)
Share of profit in associates	(3,257)	(1,751)
Share of results in joint venture	316	(24)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,057	5,217
(Increase)/Decrease in property development cost	(31,773)	21,598
Decrease in inventory	661	2,648
Increase/(Decrease) in payables	630	(8,626)
Decrease in receivables	6,893	11,051
Decrease in amount owing by associates	-	17
Decrease in net amount owing by / to contract customers	28,279	2,956
CASH FROM OPERATIONS	11,747	34,861
Interest paid	(4,047)	(4,724)
Taxes paid	(4,877)	(9,597)
NET CASH FROM OPERATING ACTIVITIES	2,823	20,540
2 CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	833	362
Dividend received from associates	1,131	205
Purchase of property, plant and equipment	(1,214)	(337)
Payment for land held for property development	(1,209)	(112)
Proceeds from associates	-	117
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(459)	235
3 CASH FLOWS FOR FINANCING ACTIVITIES		
Net drawdown/(repayment) of loans	3,503	(6,316)
Dividend paid to holders of ordinary shares	-	(1,080)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	3,503	(7,396)
4 NET INCREASE IN CASH AND CASH EQUIVALENTS	5,867	13,379
5 CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	7,148	(6,231)
6 CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13,015	7,148

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2017)

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 2017. 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 2017.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2017 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 2017.

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 2018, 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	Liabilities Incurred RM'000
Construction	58,198	2,377	125,443	82,033
Property Development	68,036	3,082	492,662	252,689
Investment	11,197	3,592	339,299	55,373
Less : Inter-segment	(89,469)	(5,084)	(382,649)	(199,132)
Group	47,962	3,967	574,755	190,963

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 except as follows:-

SBC had on 7th November, 2017 incorporated a 50% owned company called Cabana Investments Holdings Pte Ltd (“CIH”) in Singapore.

Subsequently on 20th November, 2017 CIH incorporated a wholly-owned subsidiary company called Cabana Investments Holdings Pty Ltd (“CIHPL”) in Australia.

A11) Contingent Liabilities / Assets

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

B1) Performance Review

The Group recorded revenue of RM47.96 million for the year ended 31 March 2018 compared to the corresponding preceding year of RM64.60 million. The Group recorded a profit before tax of RM3.97 million for the year compared to the corresponding preceding year profit before tax of RM0.08 million. The profit before tax is derived from gradual work done of new projects, namely Jesselton Quay Central in Kota Kinabalu, Sabah.

Financial review for current quarter and financial year-to-date:

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes (%)	Current Year	Preceding Year	Changes (%)
	Quarter RM'000 31/03/2018	Corresponding Quarter RM'000 31/03/2017		To-date RM'000 31/03/2018	To-date RM'000 31/03/2017	
Revenue	24,401	13,612	79%	47,962	64,603	(26%)
Operating Profit	5,869	1,581	100%	15,784	16,117	(2%)
Profit/(Loss) Before Interest and Tax	2,229	(1,143)	100%	8,014	5,142	56%
Profit Before Tax	1,151	(2,281)	100%	3,967	83	100%
Profit/(Loss) After Tax	(261)	(3,120)	92%	1,288	(3,694)	100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	100	(2,948)	100%	2,229	(3,043)	100%

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

The revenue for the current quarter is RM24.40 million compared to the preceding quarter of RM8.27 million. The Group incurred a profit before tax of RM1.15 million for the current quarter as compared to the profit before tax of RM3.84 million for the preceding quarter. The lower profit before tax is mainly due to lower other income received. In the preceding quarter higher other income was derived from sale of car parks to purchasers.

B2) Comparison of profit before tax for the quarter with the immediate preceding quarter (con't)

	Current Quarter 31/03/2018 RM'000	Immediate Preceding Quarter 31/12/2017 RM'000	Changes (%)
Revenue	24,401	8,269	100%
Operating Profit	5,869	5,428	8%
Profit Before Interest and Tax	2,229	4,931	(55%)
Profit Before Tax	1,151	3,835	(70%)
(Loss)/Profit After Tax	(261)	3,247	100%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	100	3,461	(100%)

B3) Business Prospects

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

The Group anticipates the Gross Development Value (“GDV”) to be achieved at JQ Central in the near future will approximate to RM400 million, which is just past the halfway mark of the total estimated GDV of RM700 million. This is achievable given the domestic market’s renewed confidence, coupled with strong support from end-financiers and project financiers.

The Group continues to source decent returns for the investment segment and anticipates the assets employed and liabilities incurred to grow in the coming years.

The breakdown by segment is as follows:-

	Current Year To-date 31/03/2018 RM'000	Preceding Year To-date 31/03/2017 RM'000	Changes (%)
Revenue			
Construction	58,198	13,133	100%
Property Development	68,036	63,671	7%
Investment	11,197	7,999	40%
Less: Inter-segment	(89,469)	(20,200)	(100%)
	<u>47,962</u>	<u>64,603</u>	<u>(26%)</u>
Profit Before Tax			
Construction	2,377	(1,502)	100%
Property Development	3,082	1,889	63%
Investment	3,592	359	100%
Less: Inter-segment	(5,084)	(663)	(100%)
	<u>3,967</u>	<u>83</u>	<u>100%</u>

B3) Business Prospects (con't)

The breakdown by segment is as follows (con't) :-

Assets Employed	Current Year To-date	Preceding Year	Changes (%)
	31/03/2018	To-date	
	RM'000	31/03/2017	RM'000
Construction	125,443	75,150	67%
Property Development	492,662	480,468	3%
Investment	339,299	338,117	0%
Less: Inter-segment	(382,649)	(347,256)	(10%)
	<u>574,755</u>	<u>546,479</u>	<u>0%</u>
Liabilities Incurred			
Construction	82,033	34,109	100%
Property Development	252,689	237,178	7%
Investment	55,373	59,002	(6%)
Less: Inter-segment	(199,132)	(166,314)	(20%)
	<u>190,963</u>	<u>163,975</u>	<u>0%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current year	Preceding year	Current year	Preceding year
	Quarter	Corresponding	To date	To date
	31/03/2018	Quarter ended	31/03/2018	31/03/2017
	RM'000	31/03/2017	RM'000	RM'000
Income tax expense	1,412	839	2,679	3,777
	<u>1,412</u>	<u>839</u>	<u>2,679</u>	<u>3,777</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 11 July 2017, 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 20 September 2017, the shareholders of the Company had approved the Proposed Share Buy-Back Renewal.

B7) Details of Group Borrowings and Debt Securities

	As at 4 th Quarter Financial Year Ended 2018		
	Long Term	Short Term	Total Borrowings
	RM	RM	RM
	denomination	denomination	denomination
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdraft	-	924	924
Banker's acceptance	-	8,995	8,995
Revolving loan	-	10,000	10,000
Term loans	34,017	35,384	69,401
Hire Purchase	24	134	158
Total	34,041	55,437	89,478

	As at 4 th Quarter Financial Year Ended 2017		
	Long Term	Short Term	Total Borrowings
	RM	RM	RM
	denomination	denomination	denomination
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank overdraft	-	7,863	7,863
Banker's acceptance	-	1,266	1,266
Revolving loan	-	10,000	10,000
Term loans	51,421	22,013	73,434
Hire Purchase	152	199	351
Total	51,573	41,341	92,914

The overall decrease in borrowings is mainly due to the repayments made during the year mitigated by new drawdowns for new projects.

B8) Derivatives

There were no derivatives entered into by the Group for the financial period under review.

B9) 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.

B10) Material Litigation

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

SBC CORPORATION BERHAD
NOTES TO INTERIM FINANCIAL REPORT

B11) Dividend

Not applicable

B12) 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 2017: 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 31/03/2018 RM’000	Year-to-date ended 31/03/2018 RM’000
Profit attributable to Owners of the Parent	100	2,229
Basic earnings per share (in sen)	0.04	0.95
Diluted earnings per share (in sen)	0.04	0.95

B13) Profit/(Loss) before tax

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

	Quarter ended 31/03/2018 RM’000	Year-to-date ended 31/03/2018 RM’000
(a) Interest income	(54)	(833)
(b) Other income including investment income	(679)	(4,794)
(c) Interest expense	1,078	4,047
(d) Depreciation and amortisation	417	1,658
(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	-	-