

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

	<b>AS AT CURRENT PERIOD ENDED 31 DECEMBER 2018 RM'000 (unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2018 RM'000 (audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associates	110,633	109,499
Investment in joint ventures	51	662
Property, plant and equipment	4,837	4,764
Biological assets	1,177	1,231
Investment properties	46,195	46,965
Land held for property development	128,842	127,847
Other investments	219	219
Goodwill on consolidation	9,495	9,495
Deferred tax assets	6,519	4,081
	<b>307,968</b>	<b>304,763</b>
<b>Current assets</b>		
Inventories	39,006	40,491
Property development costs	201,318	224,524
Trade and other receivables	82,354	43,543
Amount owing by contract customers	6,869	4,662
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	-	1,205
Current tax assets	5,959	3,785
Short-term deposit with a licensed bank	930	930
Cash and bank balances	19,585	13,527
	<b>359,387</b>	<b>336,033</b>
	<b>667,355</b>	<b>640,796</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,821	241,218
Treasury shares	(51)	(51)
Reserves	153,881	144,231
Total Equity Attributable to Owners of the Company	405,651	385,398
Non-controlling interests	(615)	(1,723)
<b>Total equity</b>	<b>405,036</b>	<b>383,675</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,500	1,500
Long term borrowings	45,342	34,105
Other Payables	80,595	79,985
	<b>127,437</b>	<b>115,590</b>
<b>Current liabilities</b>		
Trade and other payables	46,112	52,230
Amount owing to contract customers	39,787	31,491
Short term borrowings	26,314	54,317
Bank overdrafts	17,398	1,107
Current tax liabilities	5,271	2,386
	<b>134,882</b>	<b>141,531</b>
<b>Total liabilities</b>	<b>262,319</b>	<b>257,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>667,355</b>	<b>640,796</b>
<b>Net assets per share (in sen)</b>	<b>171</b>	<b>163</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)*

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

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 DECEMBER 2018 RM'000 ( <i>unaudited</i> )	31 DECEMBER 2017 RM'000 ( <i>unaudited</i> )	31 DECEMBER 2018 RM'000 ( <i>unaudited</i> )	31 DECEMBER 2017 RM'000 ( <i>unaudited</i> )
<b>Continuing Operations</b>				
Revenue	49,423	8,269	100,807	23,561
Cost of sales	(34,470)	(2,841)	(70,808)	(13,646)
<b>Gross profit</b>	<b>14,952</b>	<b>5,428</b>	<b>29,998</b>	<b>9,915</b>
Operating expenses	(3,994)	(3,920)	(13,409)	(10,021)
Depreciation and amortisation	(369)	(396)	(1,043)	(1,032)
Other income including investment income	491	3,169	1,465	4,115
Interest income	376	428	1,015	779
Finance cost	(1,232)	(1,096)	(3,204)	(2,969)
Share of (loss)/profit of associates	(81)	222	641	2,029
<b>Profit/(Loss) before tax</b>	<b>10,143</b>	<b>3,835</b>	<b>15,463</b>	<b>2,816</b>
Income tax expense	(3,006)	(588)	(4,705)	(1,267)
<b>Total comprehensive income/(expense)</b>	<b>7,137</b>	<b>3,247</b>	<b>10,758</b>	<b>1,549</b>
<b>Profit/(Loss) attributable to:-</b>				
Owners of the Parent	5,556	3,461	9,650	2,129
Non-controlling interests	1,581	(214)	1,108	(580)
	<b>7,137</b>	<b>3,247</b>	<b>10,758</b>	<b>1,549</b>
<b>Earnings/(Loss) per share (in sen)</b>				
Basic earnings/(loss) per share (in sen)	2.33	1.48	4.07	0.91
Diluted earnings/(loss) per share (in sen)	2.33	1.48	4.07	0.91

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 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
<b>Balance at 1 April 2017</b>	234,831	(51)	6,387	265	141,854	383,286	(782)	382,504
Total comprehensive income					2,112	2,112	(941)	1,171
Transfer to share capital upon implementation of the Companies Act 2016	6,387	-	(6,387)	-	-	-	-	-
<b>Balance at 31 March 2018 (audited)</b>	<b>241,218</b>	<b>(51)</b>	<b>-</b>	<b>265</b>	<b>143,966</b>	<b>385,398</b>	<b>(1,723)</b>	<b>383,675</b>
Total comprehensive income					9,650	9,650	1,108	10,758
Contributions by and distributions to owners of the Company:								
- Issuance of shares	10,717					10,717		10,717
- share issuance expenses	(114)					(114)		(114)
<b>Balance at 31 December 2018 (unaudited)</b>	<b>251,821</b>	<b>(51)</b>	<b>-</b>	<b>265</b>	<b>153,616</b>	<b>405,651</b>	<b>(615)</b>	<b>405,036</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018)*

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

	<b>9 MONTHS ENDED 31 DECEMBER 2018 RM'000 (unaudited)</b>	<b>9 MONTHS ENDED 31 DECEMBER 2017 RM'000 (unaudited)</b>
<b>1 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>15,463</b>	<b>2,816</b>
Adjustments for:		
Accretion of payables and receivables	710	939
Depreciation of property, plant and equipment	1,255	1,241
Interest expense	3,204	2,969
Interest income	(1,015)	(779)
Share of profit in associates	(641)	(2,029)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>18,976</b>	<b>5,157</b>
Decrease/(Increase) in property development cost	23,130	(29,796)
Decrease in inventory	1,485	-
(Decrease)/Increase in payables	(6,218)	1,694
(Increase)/Decrease in receivables	(38,811)	9,584
Increase in net amount owing by / to contract customers	6,089	17,243
<b>CASH FROM OPERATIONS</b>	<b>4,651</b>	<b>3,882</b>
Interest paid	(3,204)	(2,969)
Taxes paid	(6,432)	(3,826)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(4,985)</b>	<b>(2,913)</b>
<b>2 CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	1,015	779
Purchase of property, plant and equipment	(504)	(1,209)
Payment for land held for property development	(919)	(795)
Increase in investments in existing associates	(493)	-
Proceeds from joint venture	1,205	-
Dividend received from joint venture	611	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>	<b>915</b>	<b>(1,225)</b>
<b>3 CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Net repayment of loans	(16,766)	(4,218)
Proceed from issuance of new shares	10,717	-
Payment of expenses on issuance of new shares	(114)	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(6,163)</b>	<b>(4,218)</b>
<b>4 NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,233)</b>	<b>(8,356)</b>
<b>5 CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>12,720</b>	<b>7,148</b>
<b>6 CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>2,487</b>	<b>(1,208)</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 March 2018)*

SBC CORPORATION BERHAD  
NOTES TO INTERIM FINANCIAL REPORT

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 2018. 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 2018.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2018 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 2018.

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 except for the following:-

- (i) On 28 November 2018, the Company issued 23,298,268 Private Placement Shares at RM0.46 per share.
- (ii) As at 31 December 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	62,859	1,756	131,812	84,174
Property Development	119,938	23,098	581,415	321,693
Investment	6,388	(156)	353,844	59,530
Less : Inter-segment	(88,378)	(9,235)	(399,716)	(203,078)
Group	<u>100,807</u>	<u>15,463</u>	<u>667,355</u>	<u>262,319</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.

B1) Performance Review

The Group recorded revenue of RM100.81 million for the period ended 31 December 2018 compared to the corresponding period of the preceding year of RM23.56 million. The Group recorded a profit before tax of RM15.46 million for the period compared to the corresponding period of the preceding year profit before tax of RM2.82 million. The profit before tax is reflective of the gradual uptake of Jesselton Quay Central work done and sale of stock of completed projects.

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 31/12/2018	Corresponding Quarter RM'000 31/12/2017		To-date RM'000 31/12/2018	Corresponding Period RM'000 31/12/2017	
Revenue	49,423	8,269	100%	100,807	23,561	100%
Operating Profit	14,952	5,428	100%	29,998	9,915	100%
Profit/(Loss) Before Interest and Tax	11,375	4,931	100%	18,667	5,785	100%
Profit/(Loss) Before Tax	10,143	3,835	100%	15,463	2,816	100%
Profit/(Loss) After Tax	7,137	3,247	100%	10,758	1,549	100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	5,556	3,461	61%	9,650	2,129	100%

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

The revenue for the current quarter is RM49.42 million compared to the preceding quarter of RM33.72 million. The Group recorded a profit before tax of RM10.14 million for the current quarter as compared to the profit before tax for the preceding quarter of RM7.79 million. The profit before tax is reflective of the gradual uptake of Jesselton Quay Central work done and sale of stock of completed projects.

	Current Quarter 31/12/2018 RM'000	Immediate Preceding Quarter 30/09/2018 RM'000	Changes (%)
Revenue	49,423	33,715	47%
Operating Profit	14,952	13,801	8%
Profit/(Loss) Before Interest and Tax	11,375	8,864	28%
Profit/(Loss) Before Tax	10,143	7,785	30%
Profit/(Loss) After Tax	7,137	5,642	26%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	5,556	5,884	(6%)

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.



SBC CORPORATION BERHAD  
NOTES TO INTERIM FINANCIAL REPORT

B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

Revenue	Current Year To-date	Preceding Year	Changes (%)
	31/12/2018 RM'000	Corresponding Period 31/12/2017 RM'000	
Construction	62,859	33,376	88%
Property Development	119,938	38,009	100%
Investment	6,388	9,006	(29%)
Less: Inter-segment	(88,378)	(56,830)	(56%)
	<u>100,807</u>	<u>23,561</u>	<u>100%</u>
Profit Before Tax			
Construction	1,756	1,547	14%
Property Development	23,098	606	100%
Investment	(156)	4,268	(100%)
Add: Inter-segment	(9,235)	(3,605)	(100%)
	<u>15,463</u>	<u>2,816</u>	<u>100%</u>
Assets Employed			
Construction	131,812	97,186	36%
Property Development	581,415	499,336	16%
Investment	353,844	340,126	4%
Less: Inter-segment	(399,716)	(368,878)	(8%)
	<u>667,355</u>	<u>567,770</u>	<u>18%</u>
Liabilities Incurred			
Construction	84,174	53,903	56%
Property Development	321,693	260,408	24%
Investment	59,530	55,533	7%
Less: Inter-segment	(203,078)	(186,127)	(9%)
	<u>262,319</u>	<u>183,717</u>	<u>43%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current year Quarter 31/12/2018 RM'000	Preceding year Corresponding Quarter ended 31/12/2017 RM'000	Current year To date 31/12/2018 RM'000	Preceding year Corresponding Period 31/12/2017 RM'000
Income tax expense	3,006	588	4,705	1,267
	<u>3,006</u>	<u>588</u>	<u>4,705</u>	<u>1,267</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

- (i) On 18 July 2018, 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 26 September 2018, the shareholders of the Company had approved the Proposed Share Buy-Back Renewal.

- (ii) On 25 October 2018, the Company proposed to undertake a private placement of up to 10% of the total number of issued ordinary shares of the Company by issuing up to 23,477,188 new ordinary shares. The proceeds from the private placement will be utilised mainly for funding the JQ Central development and general working capital. On 13 November 2018, Bursa Securities approved the listing of and quotation for up to 23,477,188 new ordinary shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities subject to all the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Private Placement.

On 28 November 2018, the Company issued 23,298,268 Private Placement Shares at RM0.46 per share, generating RM10,717,203.28 for the Company. The proceeds were channeled towards funding the JQ Central development and general working capital. The total number of issued ordinary shares fully paid is now 258,129,053 and the total number of treasury share held is 58,900.

B6) Status of Corporate Proposals (cont'd)

On 29 November 2018, the Company completed the listing and quotation of 23,298,268 Private Placement Shares on the Main Market of Bursa Securities. The status of utilisation of proceeds raised from the Private Placement as of 31 December 2018 was as follow:-

Purpose	Proposed Utilisation RM'000	Intended Timeframe for Utilisation	Actual Proceeds Received RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Explanation
(i) Working capital for the business operation expenditures of the Group (JQ Central development & general working capital)	11,135	Within twelve (12) months	10,603	10,603	Nil	Full utilisation of amount received from Private Placement
(ii) Estimated expenses relating to the Proposed Private Placement	134	Within three (3) months	114	114	Nil	Full utilisation of amount received from Private Placement
<b>Total</b>	<b>11,269</b>		<b>10,717</b>	<b>10,717</b>		

B7) Details of Group Borrowings and Debt Securities

	As at 3 <sup>rd</sup> Quarter Financial Year Ended 2019		
	Long Term	Short Term	Total Borrowings
	RM	RM	RM
	denomination RM'000	denomination RM'000	denomination RM'000
<b><u>Secured</u></b>			
Bank overdraft	-	17,398	17,398
Banker's acceptance	-	7,700	7,700
Revolving loan	-	10,000	10,000
Term loans	45,266	8,541	53,807
Hire Purchase	76	73	149
<b>Total</b>	<b>45,342</b>	<b>43,712</b>	<b>89,054</b>

	As at 3 <sup>rd</sup> Quarter Financial Year Ended 2018		
	Long Term	Short Term	Total Borrowings
	RM	RM	RM
	denomination RM'000	denomination RM'000	denomination RM'000
<b><u>Secured</u></b>			
Bank overdraft	-	13,630	13,630
Banker's acceptance	-	3,015	3,015
Revolving loan	-	7,261	7,261
Term loans	60,550	9,800	70,350
Hire Purchase	52	155	207
<b>Total</b>	<b>60,602</b>	<b>33,861</b>	<b>94,463</b>

The increase in short term borrowings is mainly due to some long-term amounts now classified as short-term. Changes to the borrowings level mainly due to the timing of retiring old borrowings matching with the drawdown of new borrowings during the period.

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.

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 236,878,304 (3rd quarter 2018: 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 31/12/2018 RM’000	Year-to-date ended 31/12/2018 RM’000
Profit attributable to Owners of the Parent	5,556	9,650
Basic earnings per share (in sen)	2.33	4.07
Diluted earnings per share (in sen)	2.33	4.07

B13) Profit before tax

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

	Quarter ended 31/12/2018 RM’000	Year-to-date ended 31/12/2018 RM’000
(a) Interest income	(376)	(1,015)
(b) Other income including investment income	(491)	(1,465)
(c) Interest expense	1,232	3,204
(d) Depreciation and amortisation	439	1,255
(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	-	-