

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 2020 RM'000 (unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2020 RM'000 (audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Investment in associates	111,098	110,281
Investment in joint ventures	-	-
Property, plant and equipment	6,187	4,039
Investment properties	86,277	85,205
Inventories	128,706	130,663
Goodwill	9,495	9,495
Deferred tax assets	821	3,477
Other assets	1,252	1,306
	<b>343,836</b>	<b>344,466</b>
<b>Current Assets</b>		
Inventories	267,419	256,571
Contract assets	39,193	40,436
Receivables	24,402	11,890
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,096	4,100
Current tax assets	4,139	2,549
Fixed deposits with licensed banks	2,255	2,339
Cash and bank balances	6,059	6,304
	<b>350,929</b>	<b>327,555</b>
	<b>694,765</b>	<b>672,021</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	168,147	163,575
Equity attributable to owners of the company	419,896	415,324
Non-controlling interests	(2,373)	(1,968)
	<b>417,523</b>	<b>413,356</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	63,016	48,656
Lease liability	36	51
Payables	9,909	73,233
	<b>74,461</b>	<b>123,440</b>
<b>CURRENT LIABILITIES</b>		
Payables	92,171	64,180
Contract liabilities	54,616	33,722
Short-term borrowings	36,773	20,639
Lease liability	20	20
Bank overdrafts	15,361	10,120
Current tax liabilities	3,840	6,544
	<b>202,781</b>	<b>135,225</b>
	<b>277,242</b>	<b>258,665</b>
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>694,765</b>	<b>672,021</b>
<b>Net assets per share (sen)</b>	<b>163</b>	<b>161</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)*

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DECEMBER 2020 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2019 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 DECEMBER 2020 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2019 RM'000 (unaudited)
<b>Continuing Operations</b>				
Revenue	44,610	31,222	74,356	127,225
Cost of sales	(36,802)	(21,899)	(54,816)	(89,436)
<b>Gross profit</b>	<b>7,808</b>	<b>9,323</b>	<b>19,540</b>	<b>37,789</b>
Operating expenses	(3,575)	(4,730)	(10,149)	(16,247)
Depreciation and amortisation	(462)	(318)	(1,274)	(953)
Other income	284	1,674	1,776	2,649
Interest income	37	124	646	541
Finance costs	(1,468)	(576)	(2,637)	(1,707)
Share of results in associates	398	412	817	228
Share of results in joint ventures	-	(4)	(363)	(100)
<b>Profit before taxation</b>	<b>3,022</b>	<b>5,905</b>	<b>8,356</b>	<b>22,200</b>
Income tax expense	(1,508)	(1,398)	(4,189)	(7,621)
<b>Profit after taxation</b>	<b>1,514</b>	<b>4,507</b>	<b>4,167</b>	<b>14,579</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>1,514</b>	<b>4,507</b>	<b>4,167</b>	<b>14,579</b>
<b>Total comprehensive income attributable to:-</b>				
Owners of the Group	1,664	4,752	4,572	15,369
Non-controlling interests	(150)	(245)	(405)	(790)
	<b>1,514</b>	<b>4,507</b>	<b>4,167</b>	<b>14,579</b>
<b>Earnings per share (sen)</b>				
Basic earnings per share (sen)	0.64	1.79	1.77	5.96
Diluted earnings per share (sen)	0.64	1.79	1.77	5.96

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)

SBC CORPORATION BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 31 DECEMBER 2020

	Attributable to Owners of the Group			Non-controlling Interests RM'000	Total Equity RM'000	
	Share Capital Capital RM'000	Treasury Shares RM'000	Distributable Retained Profits RM'000			Total RM'000
Balance as at 1 April 2019	251,800	(51)	156,422	408,171	(906)	407,265
Total comprehensive income			9,734	9,734	(1,062)	8,672
Distribution to owners of the Company:- - Dividend	-	-	(2,581)	(2,581)	-	(2,581)
<b>Balance as at 31 March 2020</b> <i>(audited)</i>	<b>251,800</b>	<b>(51)</b>	<b>163,575</b>	<b>415,324</b>	<b>(1,968)</b>	<b>413,356</b>
Total comprehensive income	-	-	4,572	4,572	(405)	4,167
<b>Balance as at 31 December 2020</b> <i>(unaudited)</i>	<b>251,800</b>	<b>(51)</b>	<b>168,147</b>	<b>419,896</b>	<b>(2,373)</b>	<b>417,523</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 2020)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2020**

	<b>9 months ended 31 DECEMBER 2020 RM'000 (unaudited)</b>	<b>9 months ended 31 DECEMBER 2019 RM'000 (unaudited)</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>8,356</b>	<b>22,200</b>
Adjustments for:-		
Accretion of receivables and payables	-	761
Depreciation of property, plant and equipment	1,274	1,168
Interest expense	2,637	1,707
Interest income	(646)	(541)
Share of results in associates	(817)	(228)
Share of results in joint ventures	363	100
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>11,167</b>	<b>25,167</b>
Increase in inventories	(8,612)	(8,386)
Net decrease in contract assets	8,382	79,260
Decrease/(Increase) in receivables	1,211	(535)
Decrease in payables	(35,330)	(30,565)
<b>CASH (FOR)/FROM OPERATIONS</b>	<b>(23,182)</b>	<b>64,941</b>
Interest paid	(3,455)	(1,707)
Net income tax paid	(5,827)	(1,924)
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(32,464)</b>	<b>61,310</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	22	541
Purchase of property, plant and equipment	(2,599)	(15)
Purchase of investment properties	(1,024)	(45,608)
Payment for land held for property development	-	(725)
Uplift fixed deposits with maturity periods more than 3 months	-	210
Proceeds from a joint venture	-	633
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(3,601)</b>	<b>(44,964)</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of borrowings	30,479	(15,554)
Dividend paid to holders of ordinary shares	-	(2,581)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>30,479</b>	<b>(18,135)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,586)</b>	<b>(1,789)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>(3,614)</b>	<b>2,871</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(9,200)</b>	<b>1,082</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020)*

A1) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2020. 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 2020.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2020 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 2020.

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 December 2020, 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	7,215	(1,621)	136,927	90,958
Property Development	52,617	1,723	523,357	268,508
Investment	6,095	404	403,071	109,649
Less : Inter-segment	8,429	7,850	(368,590)	(191,873)
Group	<u>74,356</u>	<u>8,356</u>	<u>694,765</u>	<u>277,242</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 RM74.36 million for the period ended 31 December 2020 compared to the preceding year corresponding period of RM127.23 million. The Group recorded a profit before tax of RM8.36 million for the period compared to the preceding year corresponding period profit before tax of RM22.20 million. The decrease in profit before tax during the period was due to the slowdown in development activities resulting from the downgrading of Recovery Movement Control Order to Conditional Movement Control Order.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2020 RM'000	Preceding Year Corresponding Quarter 31/12/2019 RM'000	Changes (%)	Current Year To-date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000	Changes (%)
Revenue	44,610	31,222	43%	74,356	127,225	(42%)
Operating Profit	7,808	9,323	(16%)	19,540	37,789	(48%)
Profit Before Interest and Tax	4,490	6,481	(31%)	10,993	23,907	(54%)
Profit Before Tax	3,022	5,905	(49%)	8,356	22,200	(62%)
Profit After Tax	1,514	4,507	(66%)	4,167	14,579	(71%)
Profit Attributable to Ordinary Equity Holders of the Parent	1,664	4,752	(65%)	4,572	15,369	(70%)

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

The revenue for the current quarter is RM44.61 million compared to the preceding quarter of RM24.59 million. The Group recorded a profit before tax of RM3.02 million for the current quarter as compared to the profit before tax for the preceding quarter of RM6.69 million. The decrease in profit before tax during the period was due to the slowdown in development activities resulting from the downgrading of Recovery Movement Control Order to Conditional Movement Control Order.

	Current Quarter 31/12/2020 RM'000	Immediate Preceding Quarter 30/09/2020 RM'000	Changes (%)
Revenue	44,610	24,587	81%
Operating Profit	7,808	9,557	(18%)
Profit Before Interest and Tax	4,490	7,324	(39%)
Profit Before Tax	3,022	6,695	(55%)
Profit After Tax	1,514	4,447	(66%)
Profit Attributable to Ordinary Equity Holders of the Parent	1,664	4,557	(63%)

B3) Business Prospects

The outbreak of Covid-19 has impacted the global economy, creating economic uncertainties that may persist. This year the Group's main priority is to resume the construction works at Jesselton Quay (Kota Kinabalu), following the transitioning of Movement Control Order to Recovery Movement Control Order.

Covid-19 is a biological event that affects sentiments no doubt, but the Board of Directors remains optimistic given the project's strategic prime location, coupled with ongoing support from end-financiers and project financiers. The Gross Development Value ("GDV") achieved at JQ Central is RM523 million (inclusive of unbilled sales of RM50 million) of the total estimated GDV of RM650 million, and the balance GDV of RM127 million is anticipated to be achieved when the market sentiment returns within one-to-two years' time.

Planning for the waterfront has commenced and the Group anticipates construction works to begin in end 2021. The waterfront development will house components namely residential, retail and serviced suites, with an estimated GDV of RM1.1 billion.

The Group needs to re-design products to suit new market preferences following Covid-19, resulting in delay in commencement of new projects by at least 9 to 12 months. Meanwhile the Group continues to focus on sale of stock of completed projects and to source decent returns for the investment segment and anticipates the assets employed and liabilities incurred to grow in the coming years.



B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

	Current Year To-date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000	Changes (%)
<b>Revenue</b>			
Construction	7,215	88,334	(92%)
Property Development	52,617	115,824	(55%)
Investment	6,095	9,223	(34%)
Less : Inter-segment	8,429	(86,156)	> 100%
	<u>74,356</u>	<u>127,225</u>	<u>(42%)</u>
<b>Profit Before Tax</b>			
Construction	(1,621)	5,579	> (100%)
Property Development	1,723	9,775	(82%)
Investment	404	649	(38%)
Less : Inter-segment	7,850	6,197	27%
	<u>8,356</u>	<u>22,200</u>	<u>(62%)</u>
<b>Assets Employed</b>			
Construction	136,927	114,864	19%
Property Development	523,357	578,645	(10%)
Investment	403,071	353,370	14%
Less : Inter-segment	(368,590)	(385,135)	4%
	<u>694,765</u>	<u>661,744</u>	<u>5%</u>
<b>Liabilities Incurred</b>			
Construction	90,958	70,182	30%
Property Development	268,508	316,544	(15%)
Investment	109,649	61,533	78%
Less : Inter-segment	(191,873)	(205,778)	7%
	<u>277,242</u>	<u>242,481</u>	<u>14%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/12/2020 RM'000	Preceding Year Corresponding Quarter 31/12/2019 RM'000	Current Year To-date 31/12/2020 RM'000	Preceding Year Corresponding Period 31/12/2019 RM'000
Income tax expense	1,508	1,398	4,189	7,621

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 and group deferred tax expense.

B6) Status of Corporate Proposals

On 11 August 2020, 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 29 September 2020, the shareholders of the Company had approved the Proposed Share Buy-Back Renewal.

B7) Details of Group Borrowings and Debt Securities:-

	As at 3 <sup>rd</sup> Quarter Financial Year Ended 2021		
	Long-Term RM denomination RM'000	Short-Term RM denomination RM'000	Total Borrowings RM denomination RM'000
<b><u>Secured</u></b>			
Bank overdrafts		15,361	15,361
Bankers' acceptance	-	6,600	6,600
Revolving loan	-	8,000	8,000
Term loans	63,016	22,173	85,189
Total	<u>63,016</u>	<u>52,134</u>	<u>115,150</u>

	As at 3 <sup>rd</sup> Quarter Financial Year Ended 2020		
	Long-Term RM denomination RM'000	Short-Term RM denomination RM'000	Total Borrowings RM denomination RM'000
<b><u>Secured</u></b>			
Bank overdrafts	-	14,548	14,548
Bankers' acceptance	-	6,600	6,600
Revolving loan	-	4,739	4,739
Term loans	31,307	3,977	35,284
Hire Purchase	56	20	76
Total	<u>31,363</u>	<u>29,884</u>	<u>61,247</u>

Current year quarter hire purchase amount has been shown on the statement of financial position under lease liability. Changes to the borrowings level mainly due to 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.

SBC CORPORATION BERHAD  
NOTES TO INTERIM FINANCIAL REPORT

B12) 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 258,070,153 (3<sup>rd</sup> quarter 2020: 258,070,153) ordinary shares of the Company in issue during the financial period under review, excluding treasury shares of 58,900 units held by the Company:-

	Current Year Quarter 31/12/2020 RM’000	Current Year To-date 31/12/2020 RM’000
Profit Attributable to Ordinary Equity Holders of the Parent	1,664	4,572
Basic earnings per share (sen)	0.64	1.77
Diluted earnings per share (sen)	0.64	1.77

B13) Profit before tax

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

	Current Year Quarter 31/12/2020 RM’000	Current Year To-date 31/12/2020 RM’000
(a) Interest income	(37)	(646)
(b) Other income including investment income	(284)	(1,776)
(c) Interest expense	1,468	2,637
(d) Depreciation and amortisation	462	1,274
(e) Provision for and write-off of receivables	-	-
(f) Provision for and write-off of inventories	-	-
(g) (Gain)/loss on disposal of quoted and unquoted investments	-	-
(h) Impairment of assets	-	-
(i) Foreign exchange (gain)/loss	-	-
(j) (Gain)/loss on derivatives	-	-
(k) Exceptional items	-	-