

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	AS AT CURRENT FINANCIAL YEAR ENDED 31 MARCH 2021 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2020 RM'000 (audited)
ASSETS		
Non-current Assets		
Investment in associates	111,619	110,281
Investment in joint ventures	-	-
Property, plant and equipment	6,211	4,039
Investment properties	86,450	85,205
Inventories	129,118	130,663
Goodwill	9,495	9,495
Deferred tax assets	2,395	3,477
Other assets	1,235	1,306
	346,523	344,466
Current Assets		
Inventories	288,709	256,571
Contract assets	5,916	40,436
Receivables	12,733	11,890
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,095	4,100
Current tax assets	4,111	2,549
Fixed deposits with licensed banks	2,261	2,339
Cash and bank balances	6,254	6,304
	327,445	327,555
	673,968	672,021
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	166,462	163,575
Equity attributable to owners of the company	418,211	415,324
Non-controlling interests	(2,515)	(1,968)
	415,696	413,356
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	60,234	48,656
Lease liability	31	51
Payables	-	73,233
	61,765	123,440
CURRENT LIABILITIES		
Payables	96,290	64,180
Contract liabilities	35,219	33,722
Short-term borrowings	40,438	20,639
Lease liability	20	20
Bank overdrafts	20,320	10,120
Current tax liabilities	4,220	6,544
	196,507	135,225
	258,272	258,665
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
	673,968	672,021
Net assets per share (sen)	162	161

(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 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MARCH 2021 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2020 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 MARCH 2021 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 MARCH 2020 RM'000 (audited)
Continuing Operations				
Revenue	(8,751)	42,989	65,605	170,214
Cost of sales	10,620	(42,339)	(44,196)	(131,775)
Gross profit	1,869	650	21,409	38,439
Operating expenses	(3,670)	(5,300)	(13,819)	(21,537)
Depreciation and amortisation	(425)	(605)	(1,699)	(1,558)
Other income	468	626	2,244	3,275
Interest income	280	5	926	546
Finance costs	(1,069)	(515)	(3,706)	(2,222)
Share of results in associates	681	39	1,498	267
Share of results in joint ventures	(80)	(34)	(443)	(134)
(Loss)/Profit before taxation	(1,946)	(5,134)	6,410	17,076
Income tax expense	119	(780)	(4,070)	(8,404)
(Loss)/Profit after taxation	(1,827)	(5,914)	2,340	8,672
Other comprehensive income	-	-	-	-
Total comprehensive (expense)/income	(1,827)	(5,914)	2,340	8,672
Total comprehensive (expense)/income attributable to:-				
Owners of the Group	(1,685)	(5,642)	2,887	9,734
Non-controlling interests	(142)	(272)	(547)	(1,062)
	(1,827)	(5,914)	2,340	8,672
Earnings per share (sen)				
Basic earnings per share (sen)	(0.65)	(2.19)	1.12	3.77
Diluted earnings per share (sen)	(0.65)	(2.19)	1.12	3.77

(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 MARCH 2021

	Attributable to Owners of the Group			Non-controlling Interests RM'000	Total Equity RM'000	
	Share 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)
Balance as at 31 March 2020 <i>(audited)</i>	251,800	(51)	163,575	415,324	(1,968)	413,356
Total comprehensive income	-	-	2,887	2,887	(547)	2,340
Balance as at 31 March 2021 <i>(unaudited)</i>	251,800	(51)	166,462	418,211	(2,515)	415,696

(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 MARCH 2021

	12 months ended 31 MARCH 2021 RM'000 (unaudited)	12 months ended 31 MARCH 2020 RM'000 (audited)
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	6,410	17,076
Adjustments for:-		
Accretion of receivables and payables	-	1,015
Depreciation of property, plant and equipment	1,699	1,558
Interest expense	3,706	2,222
Interest income	(926)	(546)
Share of results in associates	(1,498)	(267)
Share of results in joint ventures	443	134
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,834	21,192
Increase in inventories	(30,314)	(2,085)
Net decrease in contract assets	36,017	53,912
Decrease in receivables	(838)	2,957
Decrease in payables	(41,172)	(39,526)
CASH (FOR)/FROM OPERATIONS	(26,473)	36,450
Interest paid	(4,814)	(4,324)
Net income tax paid	(6,874)	(3,915)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(38,161)	28,211
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	180	546
Dividend received from associates	160	295
Purchase of property, plant and equipment	(2,774)	(43)
Purchase of investment properties	(1,112)	(40,047)
Placement of fixed deposit pledged to a licensed bank	-	(1,711)
Withdrawal of fixed deposits with tenure of more than 3 months	-	204
Repayment from a joint venture	-	1,528
NET CASH FOR INVESTING ACTIVITIES	(3,546)	(39,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	31,357	7,113
Dividend paid to holders of ordinary shares	-	(2,581)
NET CASH FROM FINANCING ACTIVITIES	31,357	4,532
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,350)	(6,485)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(3,614)	2,871
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(13,964)	(3,614)

(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 March 2021, 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	35,432	(876)	113,672	67,020
Property Development	61,048	4,874	549,614	292,873
Investment	8,145	533	403,498	110,039
Less : Inter-segment	(39,020)	1,879	(392,816)	(211,660)
Group	<u>65,605</u>	<u>6,410</u>	<u>673,968</u>	<u>258,272</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 RM65.61 million for the year ended 31 March 2021 compared to the preceding year corresponding period of RM170.21 million. The Group recorded a profit before tax of RM6.41 million for the period compared to the preceding year corresponding period profit before tax of RM17.07 million. The decrease in profit before tax during the period was due to the slowdown in sales and development activities resulting from the Movement Control Order and the Conditional Movement Control Order.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2021 RM'000	Preceding Year Corresponding Quarter 31/03/2020 RM'000	Changes (%)	Current Year To-date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000	Changes (%)
Revenue	(8,751)	42,989	> (100%)	65,605	170,214	(61%)
Operating Profit	1,869	650	> 100%	21,409	38,439	(44%)
(Loss)/Profit Before Interest and Tax	(877)	(4,619)	81%	10,116	19,298	(48%)
(Loss)/Profit Before Tax	(1,946)	(5,134)	62%	6,410	17,076	(62%)
(Loss)/Profit After Tax	(1,827)	(5,914)	69%	2,340	8,672	(73%)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,685)	(5,642)	70%	2,887	9,734	(70%)

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

The Group recorded a loss before tax of RM1.95 million for the current quarter as compared to the profit before tax for the preceding quarter of RM3.02 million. The loss before tax incurred during the period were mainly due to the recent review of the estimated total property development costs of the current projects and slowdown in sales and development activities resulting from the Movement Control Order and the Conditional Movement Control Order.

	Current Quarter 31/03/2021 RM'000	Immediate Preceding Quarter 31/12/2020 RM'000	Changes (%)
Revenue	(8,751)	44,610	> (100%)
Operating Profit	1,869	7,808	(76%)
(Loss)/Profit Before Interest and Tax	(877)	4,490	> (100%)
(Loss)/Profit Before Tax	(1,946)	3,022	> (100%)
(Loss)/Profit After Tax	(1,827)	1,514	> (100%)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,685)	1,664	> (100%)

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 RM525 million (inclusive of unbilled sales of RM50 million) of the total estimated GDV of RM650 million, and the balance GDV of RM125 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.

B3) Business Prospects (cont'd)

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 6 to 9 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.

The breakdown by segment is as follows:-

	Current Year To-date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000	Changes (%)
Revenue			
Construction	35,432	130,833	(73%)
Property Development	61,048	164,406	(63%)
Investment	8,145	11,454	(29%)
Less : Inter-segment	(39,020)	(136,479)	71%
	<u>65,605</u>	<u>170,214</u>	<u>(61%)</u>
Profit Before Tax			
Construction	(876)	8,297	> (100%)
Property Development	4,874	8,270	(41%)
Investment	533	213	> 100%
Less : Inter-segment	1,879	296	> 100%
	<u>6,410</u>	<u>17,076</u>	<u>(62%)</u>
Assets Employed			
Construction	113,672	142,682	(20%)
Property Development	549,614	522,965	5%
Investment	403,498	393,425	3%
Less : Inter-segment	(392,816)	(387,051)	(1%)
	<u>673,968</u>	<u>672,021</u>	<u>0%</u>
Liabilities Incurred			
Construction	67,020	95,742	(30%)
Property Development	292,873	267,421	9%
Investment	110,039	100,132	10%
Less : Inter-segment	(211,660)	(204,630)	(3%)
	<u>258,272</u>	<u>258,665</u>	<u>0%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/03/2021 RM'000	Preceding Year Corresponding Quarter 31/03/2020 RM'000	Current Year To-date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000
Income tax expense	(119)	780	4,070	8,404

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 4 th Quarter Financial Year Ended 2021			
	Long-Term RM denomination RM'000	Short-Term RM denomination RM'000	Total Borrowings RM denomination RM'000
<u>Secured</u>			
Bank overdrafts		20,320	20,320
Bankers' acceptance	-	7,700	7,700
Revolving loan	-	10,000	10,000
Term loans	60,234	22,738	82,972
Total	60,234	60,758	120,992

As at 4 th Quarter Financial Year Ended 2020			
	Long-Term RM denomination RM'000	Short-Term RM denomination RM'000	Total Borrowings RM denomination RM'000
<u>Secured</u>			
Bank overdrafts	-	10,120	10,120
Bankers' acceptance	-	8,600	8,600
Revolving loan	-	8,000	8,000
Term loans	48,656	4,039	52,695
Total	48,656	30,759	79,415

Changes to the borrowings level mainly due to retiring of old borrowings, followed by 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

No final dividend has been recommended for the financial year ended 31 March 2021.

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 (4th 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 31/03/2021 RM’000	Current Year To-date 31/03/2021 RM’000
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,685)	2,887
Basic earnings per share (sen)	(0.65)	1.12
Diluted earnings per share (sen)	(0.65)	1.12

B13) Profit before tax

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

	Current Year Quarter 31/03/2021 RM’000	Current Year To-date 31/03/2021 RM’000
(a) Interest income	(280)	(926)
(b) Other income including investment income	(468)	(2,244)
(c) Interest expense	1,069	3,706
(d) Depreciation and amortisation	425	1,699
(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	-	-