

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

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 2021 RM'000 (unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2021 RM'000 (audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Investment in associates	110,966	111,618
Investment in joint ventures	-	-
Property, plant and equipment	4,903	6,211
Investment properties	86,125	86,450
Inventories	129,353	129,119
Goodwill	9,495	9,495
Deferred tax assets	3,349	2,395
Other assets	1,170	1,235
	<b>345,361</b>	<b>346,523</b>
<b>Current Assets</b>		
Inventories	254,499	288,709
Contract assets	9,917	5,916
Receivables	22,481	14,100
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,113	4,095
Current tax assets	4,026	4,111
Fixed deposits with licensed banks	2,071	2,261
Cash and bank balances	5,607	6,254
	<b>306,080</b>	<b>328,812</b>
	<b>651,441</b>	<b>675,335</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	171,461	166,461
Equity attributable to owners of the company	423,210	418,210
Non-controlling interests	(3,437)	(2,514)
	<b>419,773</b>	<b>415,696</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	47,174	61,076
Lease liability	15	31
	<b>48,689</b>	<b>62,607</b>
<b>CURRENT LIABILITIES</b>		
Payables	65,800	97,750
Contract liabilities	42,659	35,219
Short-term borrowings	40,684	39,503
Lease liability	20	20
Bank overdrafts	27,531	20,320
Current tax liabilities	6,285	4,220
	<b>182,979</b>	<b>197,032</b>
	<b>231,668</b>	<b>259,639</b>
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>651,441</b>	<b>675,335</b>
<b>Net assets per share (sen)</b>	<b>164</b>	<b>162</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)*

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DECEMBER 2021 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2020 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 DECEMBER 2021 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2020 RM'000 (unaudited)
<b>Continuing Operations</b>				
Revenue	50,036	44,610	76,237	74,356
Cost of sales	(33,440)	(36,802)	(51,222)	(54,816)
<b>Gross profit</b>	<b>16,596</b>	<b>7,808</b>	<b>25,015</b>	<b>19,540</b>
Operating expenses	(3,599)	(3,575)	(11,727)	(10,149)
Depreciation and amortisation	(345)	(462)	(1,023)	(1,274)
Other income	645	284	1,569	1,776
Interest income	50	37	140	646
Finance costs	(1,734)	(1,468)	(5,214)	(2,637)
Share of results in associates	100	398	248	817
Share of results in joint ventures	(9)	-	(57)	(363)
<b>Profit before taxation</b>	<b>11,704</b>	<b>3,022</b>	<b>8,951</b>	<b>8,356</b>
Income tax expense	(3,542)	(1,508)	(4,874)	(4,189)
<b>Profit after taxation</b>	<b>8,162</b>	<b>1,514</b>	<b>4,077</b>	<b>4,167</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>8,162</b>	<b>1,514</b>	<b>4,077</b>	<b>4,167</b>
<b>Total comprehensive income attributable to:-</b>				
<b>Owners of the Group</b>	8,399	1,664	5,000	4,572
<b>Non-controlling interests</b>	(237)	(150)	(923)	(405)
	<b>8,162</b>	<b>1,514</b>	<b>4,077</b>	<b>4,167</b>
<b>Earnings per share (sen)</b>				
<b>Basic earnings per share (sen)</b>	3.26	0.64	1.94	1.77
<b>Diluted earnings per share (sen)</b>	3.26	0.64	1.94	1.77

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)*

SBC CORPORATION BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 31 DECEMBER 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 2020	251,800	(51)	163,575	415,324	(1,968)	413,356
Total comprehensive income			2,886	2,886	(546)	2,340
Balance as at 31 March 2021 <i>(audited)</i>	251,800	(51)	166,461	418,210	(2,514)	415,696
Total comprehensive income	-	-	5,000	5,000	(923)	4,077
Balance as at 31 December 2021 <i>(unaudited)</i>	251,800	(51)	171,461	423,210	(3,437)	419,773

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2021**

	<b>9 months ended 31 DECEMBER 2021 RM'000 (unaudited)</b>	<b>9 months ended 31 DECEMBER 2020 RM'000 (unaudited)</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>8,951</b>	<b>8,356</b>
Adjustments for:-		
Depreciation of property, plant and equipment	1,023	1,274
Write-off of property, plant and equipment	1,279	-
Loss on disposal of investment	4	-
Interest expense	5,214	2,637
Interest income	(140)	(646)
Share of results in associates	(248)	(817)
Share of results in joint ventures	57	363
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>16,140</b>	<b>11,167</b>
Decrease/(Increase) in inventories	34,576	(8,612)
Net decrease in contract assets	3,439	8,382
(Increase)/Decrease in receivables	(8,345)	1,211
Decrease in payables	(32,100)	(35,330)
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>13,710</b>	<b>(23,182)</b>
Interest paid	(5,814)	(3,455)
Net income tax paid	(3,678)	(5,827)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>4,218</b>	<b>(32,464)</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>		
Interest received	12	22
Dividend received from associates	900	-
Purchase of property, plant and equipment	(67)	(2,599)
Purchase of investment properties	(398)	(1,024)
Proceeds from disposal of investment	7	-
Withdrawal of fixed deposits with tenure of more than 3 months	105	-
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>	<b>559</b>	<b>(3,601)</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of borrowings	(12,737)	30,479
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<b>(12,737)</b>	<b>30,479</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,960)</b>	<b>(5,586)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>(13,964)</b>	<b>(3,614)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(21,924)</b>	<b>(9,200)</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021)*

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 2021. 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 2021.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2021 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 2021.

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 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	29,409	(1,421)	103,860	58,773
Property Development	88,975	16,282	534,762	268,262
Investment	5,972	474	402,885	109,629
Less : Inter-segment	(48,119)	(6,384)	(390,066)	(204,996)
Group	<u>76,237</u>	<u>8,951</u>	<u>651,441</u>	<u>231,668</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 RM76.24 million for the period ended 31 December 2021 compared to the preceding year corresponding period of RM74.36 million. The Group recorded a profit before tax of RM8.95 million for the period compared to the preceding year corresponding period profit before tax of RM8.36 million. The increase in profit before tax during the period was mainly due to pick up in sales and development activities resulting from the relaxation of the Movement Control Order.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2021 RM'000	Preceding Year Corresponding Quarter 31/12/2020 RM'000	Changes (%)	Current Year To-date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000	Changes (%)
Revenue	50,036	44,610	12%	76,237	74,356	3%
Operating Profit	16,596	7,808	> 100%	25,015	19,540	28%
Profit Before Interest and Tax	13,438	4,490	> 100%	14,165	10,993	29%
Profit Before Tax	11,704	3,022	> 100%	8,951	8,356	7%
Profit After Tax	8,162	1,514	> 100%	4,077	4,167	(2%)
Profit Attributable to Ordinary Equity Holders of the Parent	8,399	1,664	> 100%	5,000	4,572	9%

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

The Group recorded a profit before tax of RM11.70 million for the current quarter as compared to the profit before tax for the preceding quarter of RM4.96 million. The increase in profit before tax during the period was mainly due to pick up in sales and development activities resulting from the relaxation of the Movement Control Order.

	Current Quarter 31/12/2021 RM'000	Immediate Preceding Quarter 30/09/2021 RM'000	Changes (%)
Revenue	50,036	20,545	> 100%
Operating Profit	16,596	11,389	46%
Profit Before Interest and Tax	13,438	6,678	> 100%
Profit Before Tax	11,704	4,957	> 100%
Profit After Tax	8,162	2,949	> 100%
Profit Attributable to Ordinary Equity Holders of the Parent	8,399	3,298	> 100%

B3) Business Prospects

The ongoing Covid-19 pandemic continues to impact the global economy, creating economic uncertainties that may persist. This year the Group's main priority is to complete the construction works at Jesselton Quay (Kota Kinabalu), capitalising the momentum of Phase 4 of the National Recovery Plan.

Covid-19 is a biological event that affects sentiments no doubt, but the Board of Directors remain 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 RM550 million (inclusive of unbilled sales of RM55 million) of the total estimated GDV of RM650 million, and the balance GDV of RM100 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-2022. The waterfront development will house components namely residential, retail and serviced suites, with an estimated GDV of RM1.1 billion.

The Group continues to focus on re-designing 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.

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NOTES TO INTERIM FINANCIAL REPORT

B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

	Current Year To-date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000	Changes (%)
<b>Revenue</b>			
Construction	29,409	7,215	> 100%
Property Development	88,975	52,617	69%
Investment	5,972	6,095	(2%)
Less : Inter-segment	(48,119)	8,429	> (100%)
	<u>76,237</u>	<u>74,356</u>	3%
<b>Profit Before Tax</b>			
Construction	(1,421)	(1,621)	12%
Property Development	16,282	1,723	> 100%
Investment	474	404	17%
Less : Inter-segment	(6,384)	7,850	> (100%)
	<u>8,951</u>	<u>8,356</u>	7%
<b>Assets Employed</b>			
Construction	103,860	136,927	(24%)
Property Development	534,762	523,357	2%
Investment	402,885	403,071	-
Less : Inter-segment	(390,066)	(368,590)	(6%)
	<u>651,441</u>	<u>694,765</u>	(6%)
<b>Liabilities Incurred</b>			
Construction	58,773	90,958	(35%)
Property Development	268,262	268,508	-
Investment	109,629	109,649	-
Less : Inter-segment	(204,996)	(191,873)	(7%)
	<u>231,668</u>	<u>277,242</u>	(16%)

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/12/2021 RM'000	Preceding Year Corresponding Quarter 31/12/2020 RM'000	Current Year To-date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
Income tax expense	3,542	1,508	4,874	4,189

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 offset with group deferred tax credit.

B6) Status of Corporate Proposals

On 12 August 2021, 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 2021, 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 2022			
	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	-	27,531	27,531
Bankers' acceptance	-	4,800	4,800
Revolving loan	-	10,000	10,000
Term loans	47,174	25,884	73,058
<b>Total</b>	<b>47,174</b>	<b>68,215</b>	<b>115,389</b>

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
<b>Total</b>	<b>63,016</b>	<b>52,134</b>	<b>115,150</b>

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

Not applicable.

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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 2021: 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 31/12/2021 RM’000	Current Year To-date 31/12/2021 RM’000
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	8,399	5,000
Basic earnings per share (sen)	3.26	1.94
Diluted earnings per share (sen)	3.26	1.94

B13) Profit before tax

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

	Current Year Quarter 31/12/2021 RM’000	Current Year To-date 31/12/2021 RM’000
(a) Interest income	(50)	(140)
(b) Other income including investment income	(645)	(1,569)
(c) Interest expense	1,734	5,214
(d) Depreciation and amortisation	345	1,023
(e) Provision for and write-off of receivables	-	-
(f) Provision for and write-off of inventories	-	-
(g) Loss on disposal of quoted and unquoted investments	-	4
(h) Impairment of assets	-	-
(i) Foreign exchange (gain)/loss	-	-
(j) (Gain)/loss on derivatives	-	-
(k) Exceptional items	-	-