

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	AS AT CURRENT FINANCIAL YEAR ENDED 31 MARCH 2022 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2021 RM'000 (audited)
ASSETS		
Non-current Assets		
Investment in associates	111,513	111,618
Investment in joint ventures	-	-
Property, plant and equipment	4,844	6,211
Investment properties	87,166	86,450
Inventories	129,649	129,119
Goodwill	9,495	9,495
Deferred tax assets	2,559	2,395
Other assets	1,152	1,235
	346,378	346,523
Current Assets		
Inventories	222,185	288,709
Contract assets	11,561	5,916
Receivables	11,451	14,100
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,099	4,095
Current tax assets	3,875	4,111
Fixed deposits with licensed banks	2,077	2,261
Cash and bank balances	3,121	6,254
	261,735	328,812
TOTAL ASSETS	608,113	675,335
EQUITY AND LIABILITIES		
EQUITY		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	180,597	166,461
Equity attributable to owners of the company	432,346	418,210
Non-controlling interests	(3,217)	(2,514)
TOTAL EQUITY	429,129	415,696
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	43,241	61,076
Lease liability	11	31
	44,752	62,607
CURRENT LIABILITIES		
Payables	53,765	97,750
Contract liabilities	19,085	35,219
Short-term borrowings	27,308	39,503
Lease liability	20	20
Bank overdrafts	26,037	20,320
Current tax liabilities	8,017	4,220
	134,232	197,032
TOTAL LIABILITIES	178,984	259,639
TOTAL EQUITY AND LIABILITIES	608,113	675,335
Net assets per share (sen)	168	162

(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 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MARCH 2022 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2021 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 MARCH 2022 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 MARCH 2021 RM'000 (unaudited)
Continuing Operations				
Revenue	39,837	(8,751)	116,074	65,605
Cost of sales	(23,571)	10,620	(74,793)	(44,196)
Gross profit	16,266	1,869	41,281	21,409
Operating expenses	(4,419)	(3,670)	(16,146)	(13,819)
Depreciation and amortisation	(345)	(425)	(1,368)	(1,699)
Other income	794	468	2,363	2,244
Interest income	47	280	187	926
Finance costs	(1,312)	(1,069)	(6,526)	(3,706)
Share of results in associates	1,412	681	1,660	1,498
Share of results in joint ventures	(51)	(80)	(108)	(443)
Profit before taxation	12,392	(1,946)	21,343	6,410
Income tax expense	(3,036)	119	(7,910)	(4,070)
Profit after taxation	9,356	(1,827)	13,433	2,340
Other comprehensive income	-	-	-	-
Total comprehensive income	9,356	(1,827)	13,433	2,340
Total comprehensive income attributable to:-				
Owners of the Group	9,136	(1,685)	14,136	2,887
Non-controlling interests	220	(142)	(703)	(547)
	9,356	(1,827)	13,433	2,340
Earnings per share (sen)				
Basic earnings per share (sen)	3.54	(0.65)	5.48	1.12
Diluted earnings per share (sen)	3.54	(0.65)	5.48	1.12

(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 MARCH 2022

	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	-	-	14,136	14,136	(703)	13,433
Balance as at 31 March 2022 <i>(unaudited)</i>	251,800	(51)	180,597	432,346	(3,217)	429,129

(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 MARCH 2022

	12 months ended 31 MARCH 2022 RM'000 (unaudited)	12 months ended 31 MARCH 2021 RM'000 (unaudited)
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	21,343	6,410
Adjustments for:-		
Depreciation of property, plant and equipment	1,368	1,699
Write-off of property, plant and equipment	1,279	-
Loss on disposal of investment	4	-
Interest expense	6,526	3,706
Interest income	(187)	(926)
Share of results in associates	(1,660)	(1,498)
Share of results in joint ventures	108	443
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	28,781	9,834
Decrease/(Increase) in inventories	65,997	(30,314)
Net (increase)/decrease in contract assets	(21,779)	36,017
Decrease/(increase) in receivables	2,686	(838)
Decrease in payables	(44,185)	(41,172)
CASH FROM/(FOR) OPERATIONS	31,500	(26,473)
Interest paid	(7,381)	(4,814)
Net income tax paid	(4,041)	(6,874)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	20,078	(38,161)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Interest received	16	180
Dividend received from associates	1,765	160
Purchase of property, plant and equipment	(77)	(2,774)
Purchase of investment properties	(796)	(1,112)
Proceeds from disposal of investment	7	-
Withdrawal of fixed deposits with tenure of more than 3 months	105	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES	1,020	(3,546)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	(30,050)	31,357
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(30,050)	31,357
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,952)	(10,350)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(13,964)	(3,614)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(22,916)	(13,964)

(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 March 2022, 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	30,535	(1,337)	92,808	47,758
Property Development	138,330	25,386	490,492	216,938
Investment	7,317	(663)	402,458	110,263
Less : Inter-segment	(60,108)	(2,043)	(377,645)	(195,975)
Group	<u>116,074</u>	<u>21,343</u>	<u>608,113</u>	<u>178,984</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 RM116.07 million for the year ended 31 March 2022 compared to the preceding year of RM65.61 million. The Group recorded a profit before tax of RM21.34 million for the year compared to the preceding year profit before tax of RM6.41 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 31/03/2022 RM'000	Preceding Year Corresponding Quarter 31/03/2021 RM'000	Changes (%)	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000	Changes (%)
Revenue	39,837	(8,751)	> 100%	116,074	65,605	77%
Operating Profit	16,266	1,869	> 100%	41,281	21,409	93%
Profit/(Loss) Before Interest and Tax	13,704	(877)	> 100%	27,869	10,116	> 100%
Profit/(Loss) Before Tax	12,392	(1,946)	> 100%	21,343	6,410	> 100%
Profit/(Loss) After Tax	9,356	(1,827)	> 100%	13,433	2,340	> 100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	9,136	(1,685)	> 100%	14,136	2,887	> 100%

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

The Group recorded a profit before tax of RM12.39 million for the current quarter as compared to the profit before tax for the preceding quarter of RM11.70 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 31/03/2022 RM'000	Immediate Preceding Quarter 31/12/2021 RM'000	Changes (%)
Revenue	39,837	50,036	(20%)
Operating Profit	16,266	16,596	(2%)
Profit Before Interest and Tax	13,704	13,438	2%
Profit Before Tax	12,392	11,704	6%
Profit After Tax	9,356	8,162	15%
Profit Attributable to Ordinary Equity Holders of the Parent	9,136	8,399	9%

B3) Business Prospects

The ongoing Covid-19 pandemic continues to impact the global economy, creating economic uncertainties that may persist. This year the Group has successfully completed the first phase of the Jesselton Quay (Kota Kinabalu) project, after 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 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 JQ waterfront has commenced and the Group anticipates construction works to begin in end-2022, starting with the serviced suites at estimated GDV of RM250 million. In Kuala Lumpur, planning for Kiara East next phase is in progress, with estimated GDV of RM300 million.

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.

B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000	Changes (%)
Revenue			
Construction	30,535	35,432	(14%)
Property Development	138,330	61,048	> 100%
Investment	7,317	8,145	(10%)
Less : Inter-segment	(60,108)	(39,020)	(54%)
	<u>116,074</u>	<u>65,605</u>	<u>77%</u>
Profit Before Tax			
Construction	(1,337)	(876)	(53%)
Property Development	25,386	4,874	> 100%
Investment	(663)	533	> (100%)
Less : Inter-segment	(2,043)	1,879	> (100%)
	<u>21,343</u>	<u>6,410</u>	<u>> 100%</u>
Assets Employed			
Construction	92,808	113,672	(18%)
Property Development	490,492	549,614	(11%)
Investment	402,458	403,498	-
Less : Inter-segment	(377,645)	(392,816)	(4%)
	<u>608,113</u>	<u>673,968</u>	<u>(10%)</u>
Liabilities Incurred			
Construction	47,758	67,020	(29%)
Property Development	216,938	292,873	(26%)
Investment	110,263	110,039	-
Less : Inter-segment	(195,975)	(211,660)	(7%)
	<u>178,984</u>	<u>258,272</u>	<u>(31%)</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/03/2022 RM'000	Preceding Year Corresponding Quarter 31/03/2021 RM'000	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Income tax expense	3,036	(119)	7,910	4,070

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 4 th Quarter Financial Year Ended 2022			
	Long-Term RM denomination RM'000	Short-Term RM denomination RM'000	Total Borrowings RM denomination RM'000
<u>Secured</u>			
Bank overdrafts	-	26,037	26,037
Bankers' acceptance	-	3,000	3,000
Revolving loan	-	9,000	9,000
Term loans	43,241	15,308	58,549
Total	43,241	53,345	96,586
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

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.

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 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 31/03/2022 RM’000	Current Year To-date 31/03/2022 RM’000
Profit Attributable to Ordinary Equity Holders of the Parent	9,136	14,136
Basic earnings per share (sen)	3.54	5.48
Diluted earnings per share (sen)	3.54	5.48

B13) Profit before tax

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

	Current Year Quarter 31/03/2022 RM’000	Current Year To-date 31/03/2022 RM’000
(a) Interest income	(47)	(187)
(b) Other income including investment income	(794)	(2,363)
(c) Interest expense	1,312	6,526
(d) Depreciation and amortisation	345	1,368
(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	-	-