

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

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 2022 RM'000 (unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2022 RM'000 (audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Investment in associates	112,353	111,513
Investment in joint ventures	-	-
Property, plant and equipment	5,031	4,844
Investment properties	86,337	87,166
Inventories	122,558	121,617
Goodwill	9,495	9,495
Deferred tax assets	2,024	2,559
Other assets	1,098	1,152
	<b>338,896</b>	<b>338,346</b>
<b>Current Assets</b>		
Inventories	216,363	216,393
Contract assets	105	11,561
Receivables	24,674	14,165
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,095	4,099
Current tax assets	3,961	3,875
Fixed deposits with licensed banks	2,300	2,077
Cash and bank balances	3,891	3,121
	<b>258,755</b>	<b>258,657</b>
	<b>597,651</b>	<b>597,003</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	169,437	168,628
Equity attributable to owners of the company	421,186	420,377
Non-controlling interests	(5,081)	(5,072)
	<b>416,105</b>	<b>415,305</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	45,413	43,241
Lease liability	-	11
	<b>46,913</b>	<b>44,752</b>
<b>CURRENT LIABILITIES</b>		
Payables	49,115	56,479
Contract liabilities	26,663	19,085
Short-term borrowings	30,655	27,308
Lease liability	15	20
Bank overdrafts	21,530	26,037
Current tax liabilities	6,655	8,017
	<b>134,633</b>	<b>136,946</b>
	<b>181,546</b>	<b>181,698</b>
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>597,651</b>	<b>597,003</b>
<b>Net assets per share (sen)</b>	<b>163</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 2022)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DECEMBER 2022 RM'000 <i>(unaudited)</i>	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2021 RM'000 <i>(unaudited)</i>	CURRENT YEAR PERIOD 31 DECEMBER 2022 RM'000 <i>(unaudited)</i>	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2021 RM'000 <i>(unaudited)</i>
<b>Continuing Operations</b>				
Revenue	19,148	50,036	36,138	76,237
Cost of sales	(16,589)	(33,440)	(20,215)	(51,222)
<b>Gross profit</b>	<b>2,559</b>	<b>16,596</b>	<b>15,923</b>	<b>25,015</b>
Operating expenses	(3,857)	(3,599)	(10,960)	(11,727)
Depreciation and amortisation	(402)	(345)	(1,178)	(1,023)
Other income	1,875	645	3,022	1,569
Interest income	99	50	167	140
Finance costs	(1,121)	(1,734)	(5,624)	(5,214)
Share of results in associates	1,271	100	1,590	248
Share of results in joint ventures	(109)	(9)	(122)	(57)
<b>Profit before taxation</b>	<b>315</b>	<b>11,704</b>	<b>2,818</b>	<b>8,951</b>
Income tax expense	622	(3,542)	(2,018)	(4,874)
<b>Profit after taxation</b>	<b>937</b>	<b>8,162</b>	<b>800</b>	<b>4,077</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>937</b>	<b>8,162</b>	<b>800</b>	<b>4,077</b>
<b>Total comprehensive income attributable to:-</b>				
<b>Owners of the Group</b>	487	8,399	809	5,000
<b>Non-controlling interests</b>	450	(237)	(9)	(923)
	<b>937</b>	<b>8,162</b>	<b>800</b>	<b>4,077</b>
<b>Earnings per share (sen)</b>				
<b>Basic earnings per share (sen)</b>	0.19	3.26	0.31	1.94
<b>Diluted earnings per share (sen)</b>	0.19	3.26	0.31	1.94

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)*

SBC CORPORATION BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 31 DECEMBER 2022

	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		
Balance as at 1 April 2021	251,800	(51)	154,695	(5,160)	401,284
Total comprehensive income			13,933	88	14,021
Balance as at 31 March 2022 <i>(audited)</i>	251,800	(51)	168,628	(5,072)	415,305
Total comprehensive income	-	-	809	(9)	800
Balance as at 31 December 2022 <i>(unaudited)</i>	251,800	(51)	169,437	(5,081)	416,105

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2022**

	<b>9 months ended 31 DECEMBER 2022 RM'000 (unaudited)</b>	<b>9 months ended 31 DECEMBER 2021 RM'000 (unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>2,818</b>	<b>8,951</b>
Adjustments for:-		
Depreciation of property, plant and equipment	1,178	1,023
Write-off of property, plant and equipment	-	1,279
Loss on disposal of investment	-	4
Interest expense	5,624	5,214
Interest income	(167)	(140)
Share of results in associates	(1,590)	(248)
Share of results in joint ventures	122	57
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>7,985</b>	<b>16,140</b>
(Increase)/decrease in inventories	(278)	34,576
Net decrease in contract assets	19,034	3,439
Increase in receivables	(10,509)	(8,345)
Decrease in payables	(7,692)	(32,100)
<b>CASH FROM OPERATIONS</b>	<b>8,540</b>	<b>13,710</b>
Interest paid	(6,018)	(5,814)
Net income tax paid	(2,931)	(3,678)
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(409)</b>	<b>4,218</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	26	12
Dividend received from associates	750	900
Purchase of property, plant and equipment	(393)	(67)
Purchase of investment properties	-	(398)
Proceeds from disposal of investment	-	7
(Placement)/Withdrawal of fixed deposits with tenure of more than 3 months	(200)	105
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>183</b>	<b>559</b>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	5,503	(12,737)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>5,503</b>	<b>(12,737)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,277</b>	<b>(7,960)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>(22,916)</b>	<b>(13,964)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(17,639)</b>	<b>(21,924)</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022)*

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 2022. 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 2022.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2022 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 2022.

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 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.

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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	(11)	(583)	82,505	38,105
Property Development	18,383	322	471,627	212,289
Investment	5,429	(553)	400,845	109,572
Less : Inter-segment	12,337	3,632	(357,326)	(178,420)
Group	<u>36,138</u>	<u>2,818</u>	<u>597,651</u>	<u>181,546</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 RM36.14 million for the period ended 31 December 2022 compared to the preceding year corresponding period of RM76.24 million. The Group recorded a profit before tax of RM2.82 million for the period compared to the preceding year corresponding period profit before tax of RM8.95 million. The profit before tax during the period was mainly due to sales activities and project costs adjustments.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Changes (%)	Current Year To-date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000	Changes (%)
Revenue	19,148	50,036	(62%)	36,138	76,237	(53%)
Operating Profit	2,559	16,596	(85%)	15,923	25,015	(36%)
Profit Before Interest and Tax	1,436	13,438	(89%)	8,442	14,165	(40%)
Profit Before Tax	315	11,704	(97%)	2,818	8,951	(69%)
Profit After Tax	937	8,162	(89%)	800	4,077	(80%)
Profit Attributable to Ordinary Equity Holders of the Parent	487	8,399	(94%)	809	5,000	(84%)

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

The Group recorded a profit before tax of RM0.32 million for the current quarter as compared to the profit before tax for the preceding quarter of RM4.33 million. The profit before tax is mainly due to sales activities and project costs adjustments.

	Current Quarter 31/12/2022 RM'000	Immediate Preceding Quarter 30/09/2022 RM'000	Changes (%)
Revenue	19,148	8,839	> 100%
Operating Profit	2,559	11,090	(77%)
Profit Before Interest and Tax	1,436	7,749	(81%)
Profit Before Tax	315	4,327	(93%)
Profit After Tax	937	2,673	(65%)
Profit Attributable to Ordinary Equity Holders of the Parent	487	2,804	(83%)

B3) Business Prospects

The Covid-19 pandemic transitioning to endemic continues to impact the global economy, creating economic uncertainties that may persist. 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 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 is progressing well and the Group anticipates construction works to begin by end-2023, 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.



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B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

	Current Year To-date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000	Changes (%)
<b>Revenue</b>			
Construction	(11)	29,409	(100%)
Property Development	18,383	88,975	(79%)
Investment	5,429	5,972	(9%)
Less : Inter-segment	12,337	(48,119)	> 100%
	<u>36,138</u>	<u>76,237</u>	<u>(53%)</u>
<b>Profit Before Tax</b>			
Construction	(583)	(1,421)	(59%)
Property Development	322	16,282	(98%)
Investment	(553)	474	> (100%)
Less : Inter-segment	3,632	(6,384)	> 100%
	<u>2,818</u>	<u>8,951</u>	<u>(69%)</u>
<b>Assets Employed</b>			
Construction	82,505	103,860	(21%)
Property Development	471,627	534,762	(12%)
Investment	400,845	402,885	(1%)
Less : Inter-segment	(357,326)	(390,066)	8%
	<u>597,651</u>	<u>651,441</u>	<u>(8%)</u>
<b>Liabilities Incurred</b>			
Construction	38,105	58,773	(35%)
Property Development	212,289	268,262	(21%)
Investment	109,572	109,629	-
Less : Inter-segment	(178,420)	(204,996)	13%
	<u>181,546</u>	<u>231,668</u>	<u>(22%)</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Current Year To-date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
Income tax expense	(622)	3,542	2,018	4,874

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 12 July 2022, 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 2022, 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 2023		
	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	-	21,530	21,530
Bankers' acceptance	-	1,000	1,000
Revolving loan	-	10,000	10,000
Term loans	45,413	19,655	65,068
Total	<u>45,413</u>	<u>52,185</u>	<u>97,598</u>

	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
Total	<u>47,174</u>	<u>68,215</u>	<u>115,389</u>

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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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 2022: 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 31/12/2022 RM’000	Current Year To-date 31/12/2022 RM’000
Profit Attributable to Ordinary Equity Holders of the Parent	487	809
Basic earnings per share (sen)	0.19	0.31
Diluted earnings per share (sen)	0.19	0.31

B13) Profit before tax

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

	Current Year Quarter 31/12/2022 RM’000	Current Year To-date 31/12/2022 RM’000
(a) Interest income	(99)	(167)
(b) Other income including investment income	(1,875)	(3,022)
(c) Interest expense	1,121	5,624
(d) Depreciation and amortisation	402	1,178
(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	-	-