

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	AS AT CURRENT FINANCIAL YEAR ENDED 31 MARCH 2023 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2022 RM'000 (audited)
ASSETS		
Non-current Assets		
Investment in associates	112,767	111,513
Investment in joint ventures	-	-
Property, plant and equipment	4,673	4,844
Investment properties	86,055	87,166
Inventories	122,794	121,617
Right-of-use asset	855	-
Goodwill	9,495	9,495
Deferred tax assets	1,775	2,559
Other assets	1,080	1,152
	339,494	338,346
Current Assets		
Inventories	224,164	216,393
Contract assets	105	11,561
Receivables	12,087	14,165
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,093	4,099
Current tax assets	4,027	3,875
Fixed deposits with licensed banks	2,307	2,077
Cash and bank balances	4,513	3,121
	254,662	258,657
TOTAL ASSETS	594,156	597,003
EQUITY AND LIABILITIES		
EQUITY		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	168,301	168,628
Equity attributable to owners of the company	420,050	420,377
Non-controlling interests	(6,241)	(5,072)
TOTAL EQUITY	413,809	415,305
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	45,387	43,241
Lease liability	-	11
Payables	866	-
	47,753	44,752
CURRENT LIABILITIES		
Payables	47,377	56,479
Contract liabilities	33,003	19,085
Short-term borrowings	26,655	27,308
Lease liability	10	20
Bank overdrafts	20,320	26,037
Current tax liabilities	5,229	8,017
	132,594	136,946
TOTAL LIABILITIES	180,347	181,698
TOTAL EQUITY AND LIABILITIES	594,156	597,003
Net assets per share (sen)	163	163

(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 MARCH 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MARCH 2023 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2022 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 MARCH 2023 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 MARCH 2022 RM'000 (unaudited)
Continuing Operations				
Revenue	20,819	39,837	56,957	116,074
Cost of sales	(19,318)	(23,571)	(39,533)	(74,793)
Gross profit	1,501	16,266	17,424	41,281
Operating expenses	(4,144)	(4,419)	(15,104)	(16,146)
Depreciation and amortisation	(683)	(345)	(1,861)	(1,368)
Other income	1,739	794	4,761	2,363
Interest income	74	47	241	187
Finance costs	(1,259)	(1,312)	(6,883)	(6,526)
Share of results in associates	542	1,412	2,132	1,660
Share of results in joint ventures	(47)	(51)	(169)	(108)
(Loss)/Profit before taxation	(2,277)	12,392	541	21,343
Income tax expense	(19)	(3,036)	(2,037)	(7,910)
(Loss)/Profit after taxation	(2,296)	9,356	(1,496)	13,433
Other comprehensive income	-	-	-	-
Total comprehensive (expense)/income	(2,296)	9,356	(1,496)	13,433
Total comprehensive (expense)/income attributable to:-				
Owners of the Group	(1,136)	9,136	(327)	14,136
Non-controlling interests	(1,160)	220	(1,169)	(703)
	(2,296)	9,356	(1,496)	13,433
Earnings per share (sen)				
Basic earnings per share (sen)	(0.44)	3.54	(0.13)	5.48
Diluted earnings per share (sen)	(0.44)	3.54	(0.13)	5.48

(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 MARCH 2023

	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 expense	-	-	(327)	(1,169)	(1,496)
Balance as at 31 March 2023 <i>(unaudited)</i>	251,800	(51)	168,301	(6,241)	413,809

(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 MARCH 2023

	12 months ended 31 MARCH 2023 RM'000 (unaudited)	12 months ended 31 MARCH 2022 RM'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	541	21,343
Adjustments for:-		
Depreciation of property, plant and equipment	1,861	1,368
Write-off of property, plant and equipment	-	1,279
Loss on disposal of investment	-	4
Interest expense	6,883	6,526
Interest income	(241)	(187)
Share of results in associates	(2,132)	(1,660)
Share of results in joint ventures	169	108
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,081	28,781
(Increase)/decrease in inventories	(8,069)	65,997
Net decrease/(increase) in contract assets	25,374	(21,779)
Decrease in receivables	1,219	2,686
Decrease in payables	(8,601)	(44,185)
CASH FROM OPERATIONS	17,004	31,500
Interest paid	(7,240)	(7,381)
Net income tax paid	(4,193)	(4,041)
NET CASH FROM OPERATING ACTIVITIES	5,571	20,078
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	52	16
Dividend received from associates	878	1,765
Purchase of property, plant and equipment	(402)	(77)
Purchase of investment properties	-	(796)
Proceeds from disposal of investment	-	7
(Placement)/Withdrawal of fixed deposits with tenure of more than 3 months	(200)	105
NET CASH FROM INVESTING ACTIVITIES	328	1,020
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net drawdown of borrowings	1,210	(30,050)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,210	(30,050)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,109	(8,952)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(22,916)	(13,964)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(15,807)	(22,916)

(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 March 2023, 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	(11)	(1,381)	77,080	33,409
Property Development	39,475	(2,072)	472,455	215,269
Investment	7,321	(864)	401,831	110,998
Less : Inter-segment	10,172	4,858	(357,210)	(179,329)
Group	<u>56,957</u>	<u>541</u>	<u>594,156</u>	<u>180,347</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 RM56.96 million for the year ended 31 March 2023 compared to the preceding year of RM116.07 million. The Group recorded a profit before tax of RM0.54 million for the year compared to the preceding year profit before tax of RM21.34 million. The reduced profit before tax is mostly reflective of timing between the completion of earlier projects and the commencement of new projects.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Changes (%)	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000	Changes (%)
Revenue	20,819	39,837	(48%)	56,957	116,074	(51%)
Operating Profit	1,501	16,266	(91%)	17,424	41,281	(58%)
(Loss)/Profit Before Interest and Tax	(1,018)	13,704	> (100%)	7,424	27,869	(73%)
(Loss)/Profit Before Tax	(2,277)	12,392	> (100%)	541	21,343	(97%)
(Loss)/Profit After Tax	(2,296)	9,356	> (100%)	(1,496)	13,433	> (100%)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,136)	9,136	> (100%)	(327)	14,136	> (100%)

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

The Group recorded a loss before tax of RM2.28 million for the current quarter as compared to the profit before tax for the preceding quarter of RM0.32 million. The loss before tax is mostly reflective of timing between the completion of earlier projects and the commencement of new projects.

	Current Quarter 31/03/2023 RM'000	Immediate Preceding Quarter 31/12/2022 RM'000	Changes (%)
Revenue	20,819	19,148	9%
Operating Profit	1,501	2,559	(41%)
(Loss)/Profit Before Interest and Tax	(1,018)	1,436	> (100%)
(Loss)/Profit Before Tax	(2,277)	315	> (100%)
(Loss)/Profit After Tax	(2,296)	937	> (100%)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,136)	487	> (100%)

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 RM555 million of the total estimated GDV of RM655 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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NOTES TO INTERIM FINANCIAL REPORT

B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000	Changes (%)
Revenue			
Construction	(11)	30,535	(100%)
Property Development	39,475	138,330	(71%)
Investment	7,321	7,317	-
Less : Inter-segment	10,172	(60,108)	> 100%
	<u>56,957</u>	<u>116,074</u>	<u>(51%)</u>
Profit Before Tax			
Construction	(1,381)	(1,337)	(3%)
Property Development	(2,072)	25,386	> (100%)
Investment	(864)	(663)	(30%)
Less : Inter-segment	4,858	(2,043)	> 100%
	<u>541</u>	<u>21,343</u>	<u>(97%)</u>
Assets Employed			
Construction	77,080	92,808	(17%)
Property Development	472,455	490,492	(4%)
Investment	401,831	402,458	-
Less : Inter-segment	(357,210)	(377,645)	5%
	<u>594,156</u>	<u>608,113</u>	<u>(2%)</u>
Liabilities Incurred			
Construction	33,409	47,758	(30%)
Property Development	215,269	216,938	(1%)
Investment	110,998	110,263	-
Less : Inter-segment	(179,329)	(195,975)	8%
	<u>180,347</u>	<u>178,984</u>	<u>1%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Income tax expense	19	3,036	2,037	7,910

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 4 th Quarter Financial Year Ended 2023		
	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	-	1,000	1,000
Revolving loan	-	10,000	10,000
Term loans	45,387	15,655	61,042
Total	45,387	46,975	92,362

	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

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 (4th 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 31/03/2023 RM’000	Current Year To-date 31/03/2023 RM’000
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(1,136)	(327)
Basic earnings per share (sen)	(0.44)	(0.13)
Diluted earnings per share (sen)	(0.44)	(0.13)

B13) (Loss)/Profit before tax

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

	Current Year Quarter 31/03/2023 RM’000	Current Year To-date 31/03/2023 RM’000
(a) Interest income	(74)	(241)
(b) Other income including investment income	(1,739)	(4,761)
(c) Interest expense	1,259	6,883
(d) Depreciation and amortisation	683	1,861
(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	-	-