

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 RM'000 (unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2023 RM'000 (audited)</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Investment in associates	112,375	112,767
Investment in joint ventures	-	-
Property, plant and equipment	4,486	4,673
Investment properties	83,865	85,053
Right-of-use asset	678	855
Inventories	123,731	122,794
Goodwill	9,495	9,495
Deferred tax assets	1,695	1,724
Other assets	1,044	1,080
	<b>337,369</b>	<b>338,441</b>
<b>Current Assets</b>		
Inventories	222,797	223,607
Receivables	7,975	11,647
Contract assets	105	105
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,120	4,103
Current tax assets	4,173	4,026
Fixed deposits with licensed banks	2,333	2,307
Cash and bank balances	3,232	4,513
	<b>248,101</b>	<b>253,674</b>
<b>TOTAL ASSETS</b>	<b>585,470</b>	<b>592,115</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	163,345	168,280
Equity attributable to owners of the company	415,094	420,029
Non-controlling interests	(6,666)	(6,303)
<b>TOTAL EQUITY</b>	<b>408,428</b>	<b>413,726</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	40,495	45,387
Lease liability	356	524
	<b>42,351</b>	<b>47,411</b>
<b>CURRENT LIABILITIES</b>		
Payables	49,155	50,183
Contract liabilities	27,496	27,829
Short-term borrowings	29,289	26,655
Lease liability	342	352
Bank overdrafts	23,352	20,320
Current tax liabilities	5,057	5,639
	<b>134,691</b>	<b>130,978</b>
<b>TOTAL LIABILITIES</b>	<b>177,042</b>	<b>178,389</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>585,470</b>	<b>592,115</b>
<b>Net assets per share (sen)</b>	<b>161</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 2023)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 SEPTEMBER 2023 RM'000 <i>(unaudited)</i>	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPTEMBER 2022 RM'000 <i>(unaudited)</i>	CURRENT YEAR PERIOD 30 SEPTEMBER 2023 RM'000 <i>(unaudited)</i>	PRECEDING YEAR CORRESPONDING PERIOD 30 SEPTEMBER 2022 RM'000 <i>(unaudited)</i>
<b>Continuing Operations</b>				
Revenue	1,842	8,839	5,114	16,990
Cost of sales	(1,421)	2,251	(3,128)	(3,626)
<b>Gross profit</b>	<b>421</b>	<b>11,090</b>	<b>1,986</b>	<b>13,364</b>
Operating expenses	(2,728)	(3,541)	(5,496)	(7,103)
Depreciation and amortisation	(488)	(375)	(919)	(776)
Other income	1,279	412	2,300	1,147
Interest income	18	57	82	68
Finance costs	(1,667)	(3,422)	(3,305)	(4,503)
Share of results in associates	228	119	358	319
Share of results in joint ventures	-	(13)	(26)	(13)
<b>(Loss)/Profit before taxation</b>	<b>(2,937)</b>	<b>4,327</b>	<b>(5,020)</b>	<b>2,503</b>
Income tax expense	(93)	(1,654)	(278)	(2,640)
<b>(Loss)/Profit after taxation</b>	<b>(3,030)</b>	<b>2,673</b>	<b>(5,298)</b>	<b>(137)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive (expenses)/income</b>	<b>(3,030)</b>	<b>2,673</b>	<b>(5,298)</b>	<b>(137)</b>
<b>Total comprehensive (expenses)/income attributable to:-</b>				
Owners of the Group	(2,860)	2,804	(4,935)	322
Non-controlling interests	(170)	(131)	(363)	(459)
	<b>(3,030)</b>	<b>2,673</b>	<b>(5,298)</b>	<b>(137)</b>
<b>(Loss)/Earnings per share (sen)</b>				
Basic (loss)/earnings per share (sen)	(1.11)	1.08	(1.91)	0.12
Diluted (loss)/earnings per share (sen)	(1.11)	1.08	(1.91)	0.12

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023)*

SBC CORPORATION BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 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	Retained Profits RM'000		
Balance as at 1 April 2022	251,800	(51)	168,628	(5,072)	415,305
Total comprehensive expenses			(348)	(1,167)	(1,515)
Winding-up of a subsidiary				(64)	(64)
<b>Balance as at 31 March 2023</b> <i>(audited)</i>	<b>251,800</b>	<b>(51)</b>	<b>168,280</b>	<b>(6,303)</b>	<b>413,726</b>
Total comprehensive expenses	-	-	(4,935)	(363)	(5,298)
<b>Balance as at 30 September 2023</b> <i>(unaudited)</i>	<b>251,800</b>	<b>(51)</b>	<b>163,345</b>	<b>(6,666)</b>	<b>408,428</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023)*

**SBC CORPORATION BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	<b>6 months ended 30 SEPTEMBER 2023 RM'000 (unaudited)</b>	<b>6 months ended 30 SEPTEMBER 2022 RM'000 (unaudited)</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/Profit before taxation</b>	<b>(5,020)</b>	<b>2,503</b>
Adjustments for:-		
Depreciation of property, plant and equipment	919	776
Interest expense	3,305	4,503
Interest income	(82)	(68)
Share of results in associates	(358)	(319)
Share of results in joint ventures	26	13
<b>OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1,210)</b>	<b>7,408</b>
Decrease/(Increase) in inventories	549	(15,306)
Net (increase)/decrease in contract assets	(333)	19,529
Decrease in receivables	3,670	4,364
Decrease in payables	(1,103)	(9,510)
<b>CASH FROM OPERATIONS</b>	<b>1,573</b>	<b>6,485</b>
Interest paid	(3,230)	(4,673)
Net income tax paid	(978)	(1,644)
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(2,635)</b>	<b>168</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	15	16
Dividend received from associates	750	750
Purchase of property, plant and equipment	(7)	(359)
Placement of fixed deposits with tenure of more than 3 months	-	(100)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>758</b>	<b>307</b>
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of borrowings	(2,436)	3,904
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>	<b>(2,436)</b>	<b>3,904</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,313)</b>	<b>4,379</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>(15,607)</b>	<b>(22,916)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>(19,920)</b>	<b>(18,537)</b>

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023)*

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 2023. 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 2023.

A2) Status of Qualification of Preceding Financial Statements

The financial statements of the Group for the financial year ended 31 March 2023 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 2023.

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 30 September 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	Loss Before Tax RM'000	Assets Employed RM'000	Liabilities Incurred RM'000
Construction	-	(1,245)	75,906	33,486
Property Development	4,094	(2,364)	464,312	207,371
Investment	3,809	(616)	399,852	111,451
Less : Inter-segment	(2,789)	(795)	(354,600)	(175,266)
Group	<u>5,114</u>	<u>(5,020)</u>	<u>585,470</u>	<u>177,042</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 RM5.11 million for the period ended 30 September 2023 compared to the preceding year corresponding period of RM16.99 million. The Group recorded a loss before tax of RM5.02 million for the period compared to the preceding year corresponding period profit before tax of RM2.50 million. The loss before tax during the period was 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 30/09/2023 RM'000	Preceding Year Corresponding Quarter 30/09/2022 RM'000	Changes (%)	Current Year To-date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000	Changes (%)
Revenue	1,842	8,839	(79%)	5,114	16,990	(70%)
Operating Profit	421	11,090	(96%)	1,986	13,364	(85%)
(Loss)/Profit Before Interest and Tax	(1,270)	7,749	> (100%)	(1,715)	7,006	> (100%)
(Loss)/Profit Before Tax	(2,937)	4,327	> (100%)	(5,020)	2,503	> (100%)
(Loss)/Profit After Tax	(3,030)	2,673	> (100%)	(5,298)	(137)	> (100%)
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(2,860)	2,804	> (100%)	(4,935)	322	> (100%)

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

The Group recorded a loss before tax of RM2.94 million for the current quarter as compared to the loss before tax for the preceding quarter of RM2.08 million. The loss before tax is mostly reflective of timing between the completion of earlier projects and the commencement of new projects.

	Current Quarter 30/09/2023 RM'000	Immediate Preceding Quarter 30/06/2023 RM'000	Changes (%)
Revenue	1,842	3,272	(44%)
Operating Profit	421	1,565	(73%)
Loss Before Interest and Tax	(1,270)	(445)	> (100%)
Loss Before Tax	(2,937)	(2,083)	(41%)
Loss After Tax	(3,030)	(2,268)	(34%)
Loss Attributable to Ordinary Equity Holders of the Parent	(2,860)	(2,075)	(38%)

B3) Business Prospects

The slowdown in the global economy and the Covid-19 endemic continue to create economic uncertainties that may persist, 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 in early-2024, 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 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000	Changes (%)
<b>Revenue</b>			
Construction	-	(11)	(100%)
Property Development	4,094	(375)	100%
Investment	3,809	3,589	6%
Less : Inter-segment	(2,789)	13,787	> (100%)
	<u>5,114</u>	<u>16,990</u>	<u>(70%)</u>
<b>Loss Before Tax</b>			
Construction	(1,245)	(1,183)	(5%)
Property Development	(2,364)	1,205	> (100%)
Investment	(616)	(584)	(5%)
Less : Inter-segment	(795)	3,065	> (100%)
	<u>(5,020)</u>	<u>2,503</u>	<u>&gt; (100%)</u>
<b>Assets Employed</b>			
Construction	75,906	79,747	(5%)
Property Development	464,312	479,467	(3%)
Investment	399,852	400,536	-
Less : Inter-segment	(354,600)	(362,290)	2%
	<u>585,470</u>	<u>597,460</u>	<u>(2%)</u>
<b>Liabilities Incurred</b>			
Construction	33,486	35,885	(7%)
Property Development	207,371	219,900	(6%)
Investment	111,451	109,175	2%
Less : Inter-segment	(175,266)	(182,668)	4%
	<u>177,042</u>	<u>182,292</u>	<u>(3%)</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 30/09/2023 RM'000	Preceding Year Corresponding Quarter 30/09/2022 RM'000	Current Year To-date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
Income tax expense	93	1,654	278	2,640

The effective tax rate for the period is lower than the statutory tax rate of 24% largely due to losses incurred deemed tax deductible.

B6) Status of Corporate Proposals

On 12 July 2023, 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 21 September 2023, the shareholders of the Company had approved the Proposed Share Buy-Back Renewal.

B7) Details of Group Borrowings and Debt Securities:-

	As at 2 <sup>nd</sup> Quarter Financial Year Ended 2024		
	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		23,352	23,352
Bankers' acceptance	-	-	-
Revolving loan	-	15,000	15,000
Term loans	40,495	14,289	54,784
Total	40,495	52,641	93,136

	As at 2 <sup>nd</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	-	23,198	23,198
Bankers' acceptance	-	1,000	1,000
Revolving loan	-	7,000	7,000
Term loans	50,154	16,310	66,464
Total	50,154	47,508	97,662

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.

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 (2<sup>nd</sup> quarter 2023: 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 30/09/2023 RM’000	Current Year To-date 30/09/2023 RM’000
Loss Attributable to Ordinary Equity Holders of the Parent	(2,860)	(4,935)
Basic loss per share (sen)	(1.11)	(1.91)
Diluted loss per share (sen)	(1.11)	(1.91)

B13) Loss before tax

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

	Current Year Quarter 30/09/2023 RM’000	Current Year To-date 30/09/2023 RM’000
(a) Interest income	(18)	(82)
(b) Other income including investment income	(1,279)	(2,300)
(c) Interest expense	1,667	3,305
(d) Depreciation and amortisation	488	919
(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	-	-