

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

	<b>AS AT CURRENT FINANCIAL YEAR ENDED 31 DECEMBER 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	112,569	112,767
Investment in joint ventures	-	-
Property, plant and equipment	4,735	4,673
Investment properties	83,574	85,053
Right-of-use asset	590	855
Inventories	123,844	122,794
Goodwill	9,495	9,495
Deferred tax assets	1,640	1,724
Other assets	989	1,080
	<b>337,436</b>	<b>338,441</b>
<b>CURRENT ASSETS</b>		
Inventories	232,480	223,607
Receivables	24,458	11,647
Contract assets	105	105
Amount owing by associates	3,366	3,366
Amount owing by a joint venture	4,144	4,103
Current tax assets	4,184	4,026
Fixed deposits with licensed banks	2,344	2,307
Cash and bank balances	2,514	4,513
	<b>273,595</b>	<b>253,674</b>
	<b>611,031</b>	<b>592,115</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	251,800	251,800
Treasury shares	(51)	(51)
Reserves	166,944	168,280
Equity attributable to owners of the company	418,693	420,029
Non-controlling interests	(5,546)	(6,303)
	<b>413,147</b>	<b>413,726</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	1,500	1,500
Long-term borrowings	68,835	45,387
Lease liability	270	524
	<b>70,605</b>	<b>47,411</b>
<b>CURRENT LIABILITIES</b>		
Payables	46,526	50,183
Contract liabilities	30,435	27,829
Short-term borrowings	26,925	26,655
Lease liability	342	352
Bank overdrafts	19,223	20,320
Current tax liabilities	3,828	5,639
	<b>127,279</b>	<b>130,978</b>
	<b>197,884</b>	<b>178,389</b>
<b>TOTAL LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<b>611,031</b>	<b>592,115</b>
<b>Net assets per share (sen)</b>	<b>162</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 31 DECEMBER 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DECEMBER 2023 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2022 RM'000 (unaudited)	CURRENT YEAR PERIOD 31 DECEMBER 2023 RM'000 (unaudited)	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2022 RM'000 (unaudited)
<b>Continuing Operations</b>				
Revenue	23,481	19,148	28,595	36,138
Cost of sales	(14,325)	(16,589)	(17,453)	(20,215)
<b>Gross profit</b>	<b>9,156</b>	<b>2,559</b>	<b>11,142</b>	<b>15,923</b>
Operating expenses	(4,103)	(3,857)	(9,599)	(10,960)
Depreciation and amortisation	(484)	(402)	(1,403)	(1,178)
Other income	2,182	1,875	4,482	3,022
Interest income	73	99	155	167
Finance costs	(1,863)	(1,121)	(5,168)	(5,624)
Share of results in associates	194	1,271	552	1,590
Share of results in joint ventures	(22)	(109)	(48)	(122)
<b>Profit before taxation</b>	<b>5,133</b>	<b>315</b>	<b>113</b>	<b>2,818</b>
Income tax expense	(414)	622	(692)	(2,018)
<b>Profit/(Loss) after taxation</b>	<b>4,719</b>	<b>937</b>	<b>(579)</b>	<b>800</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(expenses)</b>	<b>4,719</b>	<b>937</b>	<b>(579)</b>	<b>800</b>
<b>Total comprehensive income/(expenses) attributable to:-</b>				
Owners of the Group	3,599	487	(1,336)	809
Non-controlling interests	1,120	450	757	(9)
	<b>4,719</b>	<b>937</b>	<b>(579)</b>	<b>800</b>
<b>Earnings/(Loss) per share (sen)</b>				
Basic earnings/(loss) per share (sen)	1.39	0.19	(0.52)	0.31
Diluted earnings/(loss) per share (sen)	1.39	0.19	(0.52)	0.31

(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 31 DECEMBER 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 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)
Balance as at 31 March 2023 <i>(audited)</i>	251,800	(51)	168,280	(6,303)	413,726
Total comprehensive expenses	-	-	(1,336)	757	(579)
Balance as at 31 December 2023 <i>(unaudited)</i>	251,800	(51)	166,944	(5,546)	413,147

*(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 31 DECEMBER 2023**

	<b>9 months ended 31 DECEMBER 2023 RM'000 (unaudited)</b>	<b>9 months ended 31 DECEMBER 2022 RM'000 (unaudited)</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>113</b>	<b>2,818</b>
Adjustments for:-		
Depreciation of property, plant and equipment	1,403	1,178
Loss on disposal of other assets	23	-
Interest expense	5,168	5,624
Interest income	(155)	(167)
Share of results in associates	(552)	(1,590)
Share of results in joint ventures	48	122
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>6,048</b>	<b>7,985</b>
Increase in inventories	(9,241)	(278)
Net decrease in contract assets	2,606	19,034
Increase in receivables	(12,812)	(10,509)
Decrease in payables	(3,770)	(7,692)
<b>CASH (FOR)/FROM OPERATIONS</b>	<b>(17,169)</b>	<b>8,540</b>
Interest paid	(5,055)	(6,018)
Net income tax paid	(2,577)	(2,931)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(24,801)</b>	<b>(409)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	31	26
Dividend received from associates	750	750
Purchase of property, plant and equipment	(350)	(393)
Proceeds from disposal of other assets	14	-
Placement of fixed deposits with tenure of more than 3 months	-	(200)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>445</b>	<b>183</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	23,454	5,503
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>23,454</b>	<b>5,503</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(902)</b>	<b>5,277</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>(16,509)</b>	<b>(17,639)</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 31 December 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	2,763	(1,798)	85,741	43,862
Property Development	30,172	2,475	485,939	224,460
Investment	5,715	(249)	399,387	110,679
Less : Inter-segment	(10,055)	(315)	(360,036)	(181,117)
Group	<u>28,595</u>	<u>113</u>	<u>611,031</u>	<u>197,884</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 RM28.59 million for the period ended 31 December 2023 compared to the preceding year corresponding period of RM36.14 million. The Group recorded a profit before tax of RM0.11 million for the period compared to the preceding year corresponding period profit before tax of RM2.82 million. The lower profit 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 31/12/2023 RM'000	Preceding Year Corresponding Quarter 31/12/2022 RM'000	Changes (%)	Current Year To-date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000	Changes (%)
Revenue	23,481	19,148	23%	28,595	36,138	(21%)
Operating Profit	9,156	2,559	> 100%	11,142	15,923	(30%)
Profit Before Interest and Tax	6,996	1,436	> 100%	5,281	8,442	(37%)
Profit Before Tax	5,133	315	> 100%	113	2,818	(96%)
Profit/(Loss) After Tax	4,719	937	> 100%	(579)	800	> (100%)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,599	487	> 100%	(1,336)	809	> (100%)

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

The Group recorded a profit before tax of RM5.13 million for the current quarter as compared to the loss before tax for the preceding quarter of RM2.94 million. The profit before tax increase is mostly due sales of completed stock.

	Current Quarter 31/12/2023 RM'000	Immediate Preceding Quarter 30/09/2023 RM'000	Changes (%)
Revenue	23,481	1,842	> 100%
Operating Profit	9,156	421	> 100%
Profit/(Loss) Before Interest and Tax	6,996	(1,270)	> 100%
Profit/(Loss) Before Tax	5,133	(2,937)	> 100%
Profit/(Loss) After Tax	4,719	(3,030)	> 100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,599	(2,860)	> 100%

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 mid-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 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000	Changes (%)
<b>Revenue</b>			
Construction	2,763	(11)	> 100%
Property Development	30,172	18,383	64%
Investment	5,715	5,429	5%
Less : Inter-segment	(10,055)	12,337	> (100%)
	<u>28,595</u>	<u>36,138</u>	<u>(21%)</u>
<b>Profit Before Tax</b>			
Construction	(1,798)	(583)	> (100%)
Property Development	2,475	322	> 100%
Investment	(249)	(553)	55%
Less : Inter-segment	(315)	3,632	> (100%)
	<u>113</u>	<u>2,818</u>	<u>(96%)</u>
<b>Assets Employed</b>			
Construction	85,741	82,505	4%
Property Development	485,939	471,627	3%
Investment	399,387	400,845	-
Less : Inter-segment	(360,036)	(357,326)	(1%)
	<u>611,031</u>	<u>597,651</u>	<u>2%</u>
<b>Liabilities Incurred</b>			
Construction	43,862	38,105	15%
Property Development	224,460	212,289	6%
Investment	110,679	109,572	1%
Less : Inter-segment	(181,117)	(178,420)	(2%)
	<u>197,884</u>	<u>181,546</u>	<u>9%</u>

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

	Current Year Quarter 31/12/2023 RM'000	Preceding Year Corresponding Quarter 31/12/2022 RM'000	Current Year To-date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
Income tax expense	414	(622)	692	2,018

The effective tax rate for the period is higher than the statutory tax rate of 24% largely due to certain expenses incurred deemed non-tax deductible and group deferred tax expense.

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 3 <sup>rd</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	-	19,223	19,223
Bankers' acceptance	-	-	-
Revolving loan	-	17,000	17,000
Term loans	68,835	9,925	78,760
Total	68,835	46,148	114,983

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	45,413	52,185	97,598

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 (3<sup>rd</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 31/12/2023 RM’000	Current Year To-date 31/12/2023 RM’000
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,599	(1,336)
Basic earning/(loss) per share (sen)	1.39	(0.52)
Diluted earning/(loss) per share (sen)	1.39	(0.52)

B13) Profit before tax

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

	Current Year Quarter 31/12/2023 RM’000	Current Year To-date 31/12/2023 RM’000
(a) Interest income	(73)	(155)
(b) Other income including investment income	(2,182)	(4,482)
(c) Interest expense	1,863	5,168
(d) Depreciation and amortisation	484	1,403
(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	-	-