

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

| | AS AT CURRENT FINANCIAL YEAR ENDED 31 MARCH 2024 RM'000 (unaudited) | AS AT PRECEDING FINANCIAL YEAR ENDED 31 MARCH 2023 RM'000 (audited) |
|--|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Investment in associates | 111,621 | 112,767 |
| Investment in joint ventures | - | - |
| Property, plant and equipment | 5,254 | 4,673 |
| Investment properties | 82,768 | 85,053 |
| Right-of-use asset | 2,169 | 855 |
| Inventories | 124,002 | 122,794 |
| Goodwill | 9,495 | 9,495 |
| Deferred tax assets | 556 | 1,724 |
| Other assets | 971 | 1,080 |
| | 336,836 | 338,441 |
| CURRENT ASSETS | | |
| Inventories | 218,027 | 223,607 |
| Receivables | 13,179 | 11,647 |
| Contract assets | 105 | 105 |
| Amount owing by associates | 3,366 | 3,366 |
| Amount owing by a joint venture | 4,117 | 4,103 |
| Current tax assets | 4,566 | 4,026 |
| Fixed deposits with licensed banks | 2,352 | 2,307 |
| Cash and bank balances | 7,652 | 4,513 |
| | 253,364 | 253,674 |
| TOTAL ASSETS | 590,200 | 592,115 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 251,800 | 251,800 |
| Treasury shares | (51) | (51) |
| Reserves | 168,591 | 168,280 |
| Equity attributable to owners of the company | 420,340 | 420,029 |
| Non-controlling interests | (5,289) | (6,303) |
| TOTAL EQUITY | 415,051 | 413,726 |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | 1,500 | 1,500 |
| Long-term borrowings | 64,009 | 45,387 |
| Lease liability | 1,927 | 524 |
| | 67,436 | 47,411 |
| CURRENT LIABILITIES | | |
| Payables | 48,010 | 50,183 |
| Contract liabilities | 6,055 | 27,829 |
| Short-term borrowings | 29,951 | 26,655 |
| Lease liability | 336 | 352 |
| Bank overdrafts | 18,919 | 20,320 |
| Current tax liabilities | 4,442 | 5,639 |
| | 107,713 | 130,978 |
| TOTAL LIABILITIES | 175,149 | 178,389 |
| TOTAL EQUITY AND LIABILITIES | 590,200 | 592,115 |
| 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 2023)

SBC CORPORATION BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2024

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|---|---|--|
| | CURRENT YEAR QUARTER 31 MARCH 2024 RM'000 <i>(unaudited)</i> | PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2023 RM'000 <i>(unaudited)</i> | CURRENT YEAR PERIOD 31 MARCH 2024 RM'000 <i>(unaudited)</i> | PRECEDING YEAR CORRESPONDING PERIOD 31 MARCH 2023 RM'000 <i>(unaudited)</i> |
| Continuing Operations | | | | |
| Revenue | 30,083 | 20,819 | 58,678 | 56,957 |
| Cost of sales | (17,998) | (19,318) | (35,451) | (39,533) |
| Gross profit | 12,085 | 1,501 | 23,227 | 17,424 |
| Operating expenses | (8,750) | (4,144) | (18,349) | (15,104) |
| Depreciation and amortisation | (436) | (683) | (1,839) | (1,861) |
| Other income | 2,733 | 1,739 | 7,215 | 4,761 |
| Interest income | 83 | 74 | 238 | 241 |
| Finance costs | (2,332) | (1,259) | (7,500) | (6,883) |
| Share of results in associates | 183 | 542 | 735 | 2,132 |
| Share of results in joint ventures | (71) | (47) | (119) | (169) |
| Profit/(Loss) before taxation | 3,495 | (2,277) | 3,608 | 541 |
| Income tax expense | (1,591) | (19) | (2,283) | (2,037) |
| Profit/(Loss) after taxation | 1,904 | (2,296) | 1,325 | (1,496) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income/(expenses) | 1,904 | (2,296) | 1,325 | (1,496) |
| Total comprehensive income/(expenses) attributable to:- | | | | |
| Owners of the Group | 1,647 | (1,136) | 311 | (327) |
| Non-controlling interests | 257 | (1,160) | 1,014 | (1,169) |
| | 1,904 | (2,296) | 1,325 | (1,496) |
| Earnings/(Loss) per share (sen) | | | | |
| Basic earnings/(loss) per share (sen) | 0.64 | (0.44) | 0.12 | (0.13) |
| Diluted earnings/(loss) per share (sen) | 0.64 | (0.44) | 0.12 | (0.13) |

(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 MARCH 2024

| | 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) |
| Balance as at 31 March 2023 <i>(audited)</i> | 251,800 | (51) | 168,280 | (6,303) | 413,726 |
| Total comprehensive income | - | - | 311 | 1,014 | 1,325 |
| Balance as at 31 March 2024 <i>(unaudited)</i> | 251,800 | (51) | 168,591 | (5,289) | 415,051 |

(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 MARCH 2024

| | 12 months ended 31 MARCH 2024 RM'000 (unaudited) | 12 months ended 31 MARCH 2023 RM'000 (unaudited) |
|---|---|---|
| CASH FLOWS FOR OPERATING ACTIVITIES | | |
| Profit before taxation | 3,608 | 541 |
| Adjustments for:- | | |
| Depreciation of property, plant and equipment | 1,839 | 1,861 |
| Written off property, plant and equipment | 10 | - |
| Gain on disposal of investment properties | (153) | - |
| Loss on disposal of other assets | 23 | - |
| Interest expense | 7,500 | 6,883 |
| Interest income | (238) | (241) |
| Share of results in associates | (735) | (2,132) |
| Share of results in joint ventures | 119 | 169 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 11,973 | 7,081 |
| Decrease/(Increase) in inventories | 3,095 | (8,069) |
| Net (increase)/decrease in contract assets | (21,774) | 25,374 |
| (Increase)/Decrease in receivables | (1,453) | 1,219 |
| Decrease in payables | (2,323) | (8,601) |
| CASH (FOR)/FROM OPERATIONS | (10,482) | 17,004 |
| Interest paid | (7,171) | (7,240) |
| Net income tax paid | (2,852) | (4,193) |
| NET CASH (FOR)/FROM OPERATING ACTIVITIES | (20,505) | 5,571 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 62 | 52 |
| Dividend received from associates | 1,881 | 878 |
| Purchase of property, plant and equipment | (972) | (402) |
| Proceeds from disposal of investment properties | 2,541 | - |
| Proceeds from disposal of other assets | 14 | - |
| Placement of fixed deposits with tenure of more than 3 months | - | (200) |
| NET CASH FROM INVESTING ACTIVITIES | 3,526 | 328 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net drawdown of borrowings | 21,519 | 1,210 |
| NET CASH FROM FINANCING ACTIVITIES | 21,519 | 1,210 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 4,540 | 7,109 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | (15,607) | (22,916) |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | (11,067) | (15,807) |

(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 March 2024, 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 | 3,144 | 532 | 83,970 | 40,332 |
| Property Development | 65,453 | 4,315 | 461,089 | 198,270 |
| Investment | 7,613 | (6,445) | 394,519 | 110,962 |
| Less : Inter-segment | (17,532) | 5,206 | (349,378) | (174,415) |
| Group | <u>58,678</u> | <u>3,608</u> | <u>590,200</u> | <u>175,149</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 RM58.68 million for the year ended 31 March 2024 compared to the preceding year of RM56.96 million. The Group recorded a profit before tax of RM3.61 million for the year compared to the preceding year profit before tax of RM0.54 million. The higher profit before tax was due to sales of completed inventories.

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

| | Individual Quarter | | | Cumulative Quarter | | |
|---|---|--|----------------|---|---|----------------|
| | Current Year Quarter 31/03/2024 RM'000 | Preceding Year Corresponding Quarter 31/03/2023 RM'000 | Changes (%) | Current Year To-date 31/03/2024 RM'000 | Preceding Year Corresponding Period 31/03/2023 RM'000 | Changes (%) |
| Revenue | 30,083 | 20,819 | 44% | 58,678 | 56,957 | 3% |
| Operating Profit | 12,085 | 1,501 | > 100% | 23,227 | 17,424 | 33% |
| Profit/(Loss) Before Interest and Tax | 5,827 | (1,018) | > 100% | 11,108 | 7,424 | 50% |
| Profit/(Loss) Before Tax | 3,495 | (2,277) | > 100% | 3,608 | 541 | > 100% |
| Profit/(Loss) After Tax | 1,904 | (2,296) | > 100% | 1,325 | (1,496) | 89% |
| Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent | 1,647 | (1,136) | > 100% | 311 | (327) | 95% |

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

The Group recorded a profit before tax of RM3.50 million for the current quarter as compared to the profit before tax for the preceding quarter of RM5.13 million. The profit before tax decreased due to sales of completed inventories offset with planned operating expenses.

| | Current Quarter 31/03/2024 RM'000 | Immediate Preceding Quarter 31/12/2023 RM'000 | Changes (%) |
|---|---|---|-------------|
| Revenue | 30,083 | 23,481 | 28% |
| Operating Profit | 12,085 | 9,156 | 32% |
| Profit Before Interest and Tax | 5,827 | 6,996 | (17%) |
| Profit Before Tax | 3,495 | 5,133 | (32%) |
| Profit After Tax | 1,904 | 4,719 | (60%) |
| Profit Attributable to Ordinary Equity Holders of the Parent | 1,647 | 3,599 | (54%) |

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.

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B3) Business Prospects (cont'd)

The breakdown by segment is as follows:-

| | Current Year To-date 31/03/2024 RM'000 | Preceding Year Corresponding Period 31/03/2023 RM'000 | Changes (%) |
|-----------------------------|---|---|------------------|
| Revenue | | | |
| Construction | 3,144 | (11) | > 100% |
| Property Development | 65,453 | 39,475 | 66% |
| Investment | 7,613 | 7,321 | 4% |
| Less : Inter-segment | (17,532) | 10,172 | > (100%) |
| | <u>58,678</u> | <u>56,957</u> | <u>3%</u> |
| Profit Before Tax | | | |
| Construction | 532 | (1,381) | 39% |
| Property Development | 4,315 | (2,072) | > 100% |
| Investment | (6,445) | (864) | > 100% |
| Less : Inter-segment | 5,206 | 4,858 | 7% |
| | <u>3,608</u> | <u>541</u> | <u>> 100%</u> |
| Assets Employed | | | |
| Construction | 83,970 | 77,080 | 9% |
| Property Development | 461,089 | 472,455 | (2%) |
| Investment | 394,519 | 401,831 | (2%) |
| Less : Inter-segment | (349,378) | (357,210) | 2% |
| | <u>590,200</u> | <u>594,156</u> | <u>(1%)</u> |
| Liabilities Incurred | | | |
| Construction | 40,332 | 33,409 | 21% |
| Property Development | 198,270 | 215,269 | (8%) |
| Investment | 110,962 | 110,998 | - |
| Less : Inter-segment | (174,415) | (179,329) | 3% |
| | <u>175,149</u> | <u>180,347</u> | <u>(3%)</u> |

B4) Review on Profit Forecast

Not applicable as no profit forecast was published.

B5) Taxation

| | Current Year Quarter 31/03/2024 RM'000 | Preceding Year Corresponding Quarter 31/03/2023 RM'000 | Current Year To-date 31/03/2024 RM'000 | Preceding Year Corresponding Period 31/03/2023 RM'000 |
|--------------------|---|--|---|---|
| Income tax expense | 1,591 | 19 | 2,283 | 2,037 |

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 4 th Quarter Financial Year Ended 2024 | | |
|-----------------------|---|---|---|
| | Long-Term RM denomination RM'000 | Short-Term RM denomination RM'000 | Total Borrowings RM denomination RM'000 |
| <u>Secured</u> | | | |
| Bank overdrafts | - | 18,919 | 18,919 |
| Bankers' acceptance | - | - | - |
| Revolving loan | - | 17,000 | 17,000 |
| Term loans | 64,009 | 12,951 | 76,960 |
| Total | 64,009 | 48,870 | 112,879 |

| | 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 | - | 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 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 31/03/2024 RM’000 | Current Year To-date 31/03/2024 RM’000 |
|--|---|---|
| Profit Attributable to Ordinary Equity Holders of the Parent | 1,647 | 311 |
| Basic earnings per share (sen) | 0.64 | 0.12 |
| Diluted earnings per share (sen) | 0.64 | 0.12 |

B13) Profit before tax

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

| | Current Year Quarter 31/03/2024 RM’000 | Current Year To-date 31/03/2024 RM’000 |
|--|---|---|
| (a) Interest income | (83) | (238) |
| (b) Other income including investment income | (2,733) | (7,215) |
| (c) Interest expense | 2,332 | 7,500 |
| (d) Depreciation and amortisation | 436 | 1,839 |
| (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 | - | - |