

# SBC sees 'interesting' growth from FY20

Wong Ee Lin / The Edge Financial Daily  
September 27, 2018 10:54 am +08



*This article first appeared in The Edge Financial Daily, on September 27, 2018.*



**A**

KUALA LUMPUR: Little known property developer SBC Corp Bhd expects to see “interesting” growth in both its top and bottom lines, starting from the financial year ending March 31, 2020 (FY20), driven mainly by its existing projects, namely the Jesselton Quay Central (JQC) in Sabah and the Bandar Ligamas Township in Ulu Yam, Selangor.

JQC is expected to be completed in 2020. It has an estimated gross development value (GDV) of RM700 million, which is about 25% of the entire Jesselton Quay’s RM1.8 billion GDV. As for its Bandar Ligamas Township, it has a GDV of RM1 billion.

“Next year (FY20) onwards, we will see some interesting numbers ... give it another 18 months,” SBC managing director (MD) cum chief executive officer Datuk Sia Teong Heng told reporters after the group’s annual general meeting yesterday when asked about the group’s outlook.

Sia said the group’s Kiara East KL development, which has a potential GDV of about RM2 billion sprawled over 20 acres (8.09ha), will also be one of the group’s main earnings contributors in the coming years. The group has used about four acres of that to build two blocks of condominiums named DEX Suites Kiara East, with a GDV of some RM345 million.

As for the current financial year (FY19), Sia said it will “definitely” top last year’s bottom line performance as SBC expects to meet its annual sales target of RM300 million, something it has not achieved for years.

Sia said the sales target is usually set at the same amount each year. As at Sept 18, 2018, SBC’s unbilled sales stood at RM245 million, derived from its JQC project.

SBC returned to the black in FY18 with a net profit of RM2.11 million, compared to a net loss of RM3.04 million for FY17. But for the first quarter of FY19 ended June 30, 2018, it posted a net loss of RM1.79 million, compared with a net loss of RM199,000 for the year-ago quarter, due to slower sales.

Meanwhile, Sia said, SBC sees opportunities in tourism-related developments, an area it has moved towards with the JQC and Ulu Yam projects, and will be focusing on such projects in the next five years.

On affordable housing, Sia said: “We are still optimistic about affordable housing developments, but we are no longer reliant on this type of development.”

On SBC’s acquisition of a plot of land with an office building in the East Perth central business district for A\$3.15 million (RM9.44 million) in July, Sia said the group had not launched anything there yet. The plot is of 958 sq m, with an open-air car park and a building floor space of 358 sq m. Its redevelopment, which is in the pre-planning stage, will mark SBC’s maiden venture in Australia.

“It is in quite a prominent location, and we feel there is a lot of potential there. Also, the Perth market has bottomed out — that is a general consensus. So, we felt it was a good time for us to go in,” said Sia.

SBC shares slid half a sen or 0.89% to close at 56 sen yesterday, with a market capitalisation of RM131.46 million.

Subscribe to Editor's Picks  
& Mid-day email alert

We deliver news to your  
inbox daily

Email Address

SUBSCRIBE

## RELATED NEWS

20 July 2017