

**SELANGOR DREDGING BERHAD ( 4624-U )**  
( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2019

	As at 30.06.2019	(Audited) As at 31.03.2019
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	230,195	230,218
Intangible asset	563	561
Investment properties	10,075	10,075
Inventories	326,400	326,314
Investment in jointly controlled entities	162,428	150,643
Investment in associates	93,931	92,539
Amount Owing by Associate Companies	1,881	1,881
Deferred tax assets	14,266	16,291
	<u>839,739</u>	<u>828,522</u>
<b>Current assets</b>		
Inventories - completed unit	93,537	111,533
Inventories - property development costs	286,088	264,513
Trade and other receivable	204,509	197,861
Tax recoverable	7,872	8,061
Cash and Cash Equivalents	48,401	39,605
	<u>640,407</u>	<u>621,573</u>
<b>TOTAL ASSETS</b>	<u>1,480,146</u>	<u>1,450,095</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share Capital	213,541	213,541
Reserves	641,798	635,477
	<u>855,339</u>	<u>849,018</u>
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<u>855,339</u>	<u>849,018</u>
<b>Non-current liabilities</b>		
Bank Borrowings	207,144	133,637
Deferred taxation	3,358	3,649
	<u>210,502</u>	<u>137,286</u>
<b>Current liabilities</b>		
Trade and other payables	175,504	180,749
Bank Borrowings	236,207	279,322
Taxation	2,594	3,720
	<u>414,305</u>	<u>463,791</u>
<b>Total liabilities</b>	<u>624,807</u>	<u>601,077</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,480,146</u>	<u>1,450,095</u>
<b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	200.72	199.24

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019*

**SELANGOR DREDGING BERHAD ( 4624-U )**  
( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED INCOME STATEMENT**

for the 1st quarter ended 30 June 2019

( The figures have not been audited )

	Current quarter ended 30.06.2019	(Restated) Comparative quarter ended 30.06.2018	Current 3 months ended 30.06.2019	(Restated) Corresponding 3 months ended 30.06.2018
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	53,660	54,794	53,660	54,794
Operating expenses	(47,920)	(45,643)	(47,920)	(45,643)
Other operating income	1,742	2,025	1,742	2,025
Profit from operations	7,482	11,176	7,482	11,176
Depreciation	(1,144)	(898)	(1,144)	(898)
Finance costs	(4,686)	(4,696)	(4,686)	(4,696)
Share of associate/jointly controlled entities results	3,790	(2,066)	3,790	(2,066)
<b>Profit before taxation</b>	5,442	3,516	5,442	3,516
Taxation	(1,942)	(1,121)	(1,942)	(1,121)
<b>Profit for the period</b>	<u>3,500</u>	<u>2,395</u>	<u>3,500</u>	<u>2,395</u>
<b>Attributable to:</b>				
Owners of the Company	3,500	2,395	3,500	2,395
Non-controlling interest	-	-	-	-
<b>Profit for the period</b>	<u>3,500</u>	<u>2,395</u>	<u>3,500</u>	<u>2,395</u>
Earning per share - basic (sen)	0.82	0.56	0.82	0.56
- diluted (sen)	-	-	-	-

*The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019*

**SELANGOR DREDGING BERHAD ( 4624-U)**  
( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the 1st quarter ended 30 June 2019

( The figures have not been audited )

	Current quarter ended 30.06.2019	(Restated) Comparative quarter ended 30.06.2018	Current 3 months ended 30.06.2019	(Restated) Corresponding 3 months ended 30.06.2018
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	3,500	2,395	3,500	2,395
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	2,822	856	2,822	856
Fair Value changes in PPE	-	-	-	-
<b>Other comprehensive income</b>	<u>2,822</u>	<u>856</u>	<u>2,822</u>	<u>856</u>
<b>Total comprehensive income</b>	<u>6,322</u>	<u>3,251</u>	<u>6,322</u>	<u>3,251</u>
Attributable to:				
Owners of the Company	6,322	3,251	6,322	3,251
Non-controlling interest	-	-	-	-
<b>Total comprehensive income</b>	<u>6,322</u>	<u>3,251</u>	<u>6,322</u>	<u>3,251</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the  
Annual Financial Report for the year ended 31st March 2019*

**SELANGOR DREDGING BERHAD ( 4624-U )**  
( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the 3 months ended 30 June 2019

( The figures have not been audited )

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Exchange Fluctuation RM'000	Retained profits RM'000	Total RM'000
<u>Current 3 months ended</u>								
<u>30 June 2019</u>								
As at 1 April 2019	213,541	-	87,597	7,861	-	26,356	513,663	849,018
Effects of adopting MFRS 9	-	-	-	-	-	-	-	-
Effects of adopting MFRS 15	-	-	-	-	-	-	-	-
Restated	213,541	-	87,597	7,861	-	26,356	513,663	849,018
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	2,822	3,500	6,322
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2019	213,541	-	87,597	7,861	-	29,178	517,163	855,340
<u>Preceding 3 months ended</u>								
<u>30 June 2018</u>								
As at 1 April 2018	213,541	-	87,597	7,861	-	21,431	557,254	887,684
Effects of adopting MFRS 9	-	-	-	-	-	-	(4,849)	(4,849)
Effects of adopting MFRS 15	-	-	-	-	-	-	(24,237)	(24,237)
	213,541	-	87,597	7,861	-	21,431	528,168	858,598
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	856	2,395	3,251
- Dividend paid	-	-	-	-	-	-	-	-
As at 30 June 2018	213,541	-	87,597	7,861	-	22,287	530,563	861,849

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019*

**SELANGOR DREDGING BERHAD ( 4624-U )**  
( Incorporated in Malaysia )

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the 3 months ended 30 June 2019

( The figures have not been audited )

	Current 3 months ended 30.06.2019 RM'000	(Restated) Corresponding 3 months ended 30.06.2018 RM'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	5,442	3,516
Adjustment for :		
Non-cash items	2,013	2,964
Non-operating items ( which are investing / financing )	4,649	4,121
Operating profit before working capital changes	12,104	10,601
Changes in working capital		
Receipts from customer	(29,872)	8,015
Payments to supplier, contractors and employee	12,460	(7,884)
Interest paid	-	(4,696)
Tax paid	(4,410)	(1,502)
Net cashflows from operating activities	(9,718)	4,534
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Equity investments	-	(1,017)
Other investments	(1,481)	(700)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(815)	(1,151)
Proceeds from disposal of property, plant and equipment	-	-
Net cashflows from investing activities	(2,296)	(2,868)
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	-	-
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	44,959	-
Repayment of bank borrowings	(14,565)	(14,446)
Repayment of JV company	(2,710)	(2,973)
Advances to associates	-	-
Net cashflows from financing activities	27,684	(17,419)
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	15,670	(15,753)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	37,298	138,874
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	(6,873)	526
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	46,095	123,647
Represented by:		
Cash and Cash Equivalents	48,401	125,954
less:		
Amount pledged as security for bank facilities	(195)	(195)
Deposit with licenced banks with maturity more than 3 months	(2,112)	(2,112)
	46,094	123,647

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2019*

# SELANGOR DREDGING BERHAD (4624-U)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST FINANCIAL QUARTER ENDED 30 JUNE 2019

### *Part A - Selected Explanatory Notes pursuant to Malaysia Financial Reporting Standard 134 ("MFRS 134")*

#### **A1. Basis of preparation**

The interim financial report has been prepared in accordance with MFRS 134 - Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysia Financial Reporting Standards ("MFRS") Framework. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purposes of preparation on the MFRS compliant financial statements is 1 January 2017.

The interim financial statements should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 March 2019.

#### **A2. Changes in accounting policies**

The same accounting policies and method of computation are followed in the interim financial statements as compared with the most recent annual financial statements for the year ended 31 March 2019 except the Group is in the process of assessing the impact of implementing for the adoption of the following amendments to MFRSs:

		Effective for annual periods beginning on or after
MFRS 16	: Leases	1 January 2019
IC Interpretation 23	: Uncertainty Over Income Tax Treatments	1 January 2019
<i>Amendments to:</i>		
MFRS 9	: Prepayment Features with Negative Compensation	1 January 2019
MFRS 128	: Long-term Interest in Joint Ventures and Associates	1 January 2019
MFRS 3 & MFRS 11	: Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 112	: Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 123	: Borrowing Cost Eligible for Capitalisation (Annual Improvements to MFRSs 2015 – 2017 Cycle)	1 January 2019
MFRS 119	: Plan Amendment, Curtailment or Settlement	1 January 2019

The Group have not been early adopt the following standards, amendments and interpretations that have been issued by the MASB:

		Effective for annual periods beginning on or after
MFRS 3	: Business Combinations	1 January 2020
MFRS 101	: Presentation of Financial Statements	1 January 2020
MFRS 108	: Accounting Policies, Changes in Accounting Estimates and Errors MFRS 134 Interim Financial Reporting	1 January 2020
MFRS 10 & MFRS 128	: Sales or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

**A3. Audit Report of Preceding Annual Financial Statements**

The Group's preceding annual financial statements were reported without any qualification.

**A4. Seasonality or Cyclicity of Operations**

The business operations of the Group are generally not affected by seasonal or cyclical factors except for the hotel operations which are generally affected by major festive seasons.

**A5. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cashflows**

There are no unusual items affecting assets, liabilities, equity, net income or cashflows during the financial year under review.

**A6. Change in Estimate**

There were no material changes in estimates reported in prior interim periods of the current financial year or in prior financial years which have a material effect in the current interim period.

**A7. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter and year-to-date ended 31 March 2019.

**A8. Dividend Paid**

No dividend was paid during the current financial quarter and period-to-date ended 30 June 2019.

**A9. Segment Revenue and Segment Result By Business Segments**

*(a) Primary reporting format – business segment*

All the operations of the Group are organised in Malaysia into six main business segments:

- (i) Property investments - letting of commercial properties
- (ii) Property development - property development
- (iii) Hotel operations - operation of hotel and related services
- (iv) Investment holding - holding of shares in quoted and non-quoted companies
- (v) Property Support Service - providing support service to purchasers of properties developed by the SDB Group
- (vi) Others - provision of management services.

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

	Property Investment	Hotel Operations	Property Development	Property Support Services	Investment Holding	Others/ Elimination	Consolidated
<b>RM'000</b>							
<b>REVENUE</b>							
External Sales	23	3,307	49,719	14	-	340	53,403
Inter-segment Sales	51	-	-	242	-	(36)	257
<b>Total revenue</b>	<b>74</b>	<b>3,307</b>	<b>49,719</b>	<b>256</b>	<b>-</b>	<b>304</b>	<b>53,660</b>
<b>RESULTS</b>							
Segment results	(2)	(1,722)	13,855	(195)	3,780	(8,816)	6,900
Unallocated corporate (expenses)/income							(562)
<b>Operating profit</b>							<b>6,338</b>
Finance cost, net							(4,686)
Share of net profit/(loss) of associated companies			2,401	(3)	1,392		3,790
Income taxes							(1,942)
<b>Profit for the period</b>							<b>3,500</b>

*(b) Secondary reporting format – geographical segment*

The operations of the Group are substantially carried out in Malaysia except for SDB Asia Pte Ltd and SDB Green Energy Pte Ltd which is incorporated in Singapore.



**A10. Valuation of property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendments from the most recent annual financial statements for the year ended 31 March 2019.

**A11. Material Events Subsequent to the End of the Period**

There are no material events subsequent to 30 June 2019 up to the date of this announcement that has not been reflected in the financial statements as at 30 June 2019.

**A12. Effects of Changes in the Composition of the Group**

There are no changes in the composition of the Group for the current financial quarter under review.

**A13. Changes in Contingent Liabilities and Contingent Assets**

The Group does not have any contingent liabilities and contingent assets as at the last annual balance sheet date up to the current financial year to-date.

**Part B - Selected Explanatory Notes pursuant to Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements**

**B1. Review of Performance of the Company and its Principal Subsidiaries**

For the 3 months ended 30 June 2019, the Group recorded a slight decrease in turnover amounting to RM53.66 million compared to the corresponding last financial year. The decrease was mainly due to softer market sentiment in the real estate industry. The increase in net profit to RM3.50 million was mainly due to contribution from Singapore projects by jointly controlled entities and iron ore mining result of Fortress Minerals Limited.

**B2. Material Changes in Profit Before Tax of the Current Quarter compared to the Immediate Preceding Quarter**

For the quarter ended 30 June 2019, the Group registered a lower profit before tax of RM5.44 million compared to RM13.16 million recorded in the preceding quarter ended 31 March 2019. This was mainly due to net gain arising from the listing of Fortress Minerals Limited in the preceding quarter ended 31 March 2019.

**B3. Prospects for the Current Financial Year**

The outlook for the remaining financial year is expected to remain challenging as Property sector in Malaysia has remained challenging in view of adverse market condition due to uncertainty in economic condition and over supply of property in the country. The Group has taken rigorous measurement in cost and pricing of our product and engaging marketing strategy to remain competitive in the market. However, prudent measurements and control will be in place to moderate the impact from the downturn.

In a review of abovementioned factors, the Group will continue to strategize its marketing activities in order to convert its inventories into sales and adopt cautious approach in launching any new projects. Currently the Group has approximately RM254.54 million of unbilled sales in hand which is derived mainly from ongoing projects.

**B4. Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee**

Not Applicable.

**B5. Taxation**

Tax charge comprises the following:-

	Current quarter 30/06/2019 RM'000	Financial year 30/06/2019 RM'000
- current taxation	410	410
- associated companies	-	-
- deferred taxation	1,532	1,532
- under/(over) provision in prior years		
- Current	-	-
- Deferred	-	-
	<u>1,942</u>	<u>1,942</u>

For the current quarter, the Group's taxation is higher compared to the statutory rate mainly due to the offset effect amongst subsidiaries which has more losses before taxation.

**B6. Status of Corporate Proposal**

- (a) Since the last balance sheet date, there were no corporate proposals announced.  
 (b) Status of utilization of proceeds raised from any corporate proposal – Not Applicable.

**B7. Group Borrowings and Debts Securities**

Total Group borrowings as at 30 June 2019 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	67,500
Term Loan	185,851
Repayments due within the next 12 months	<u>(46,207)</u>
Sub-Total	<u>207,144</u>
<i>Unsecured:</i>	
Revolving Credit	-
Term Loan	-
Repayments due within the next 12 months	<u>-</u>
Sub-Total	<u>-</u>
<i>Short Term Bank Borrowing</i>	
<i>Secured:</i>	
Revolving Credit	125,000
Term Loan	-
Current portion of long term borrowing	<u>46,207</u>
Sub-Total	<u>171,207</u>
<i>Unsecured:</i>	
Revolving Credit	65,000
Term Loan	-
Current portion of long term borrowing	<u>-</u>
Sub-Total	<u>65,000</u>
Total	<u>443,351</u>

There were no borrowings or debt securities denominated in foreign currencies except for the followings:

	SGD'000	equivalent RM'000
Borrowings denominated in foreign currency	6,750	20,630

**B8. Material Litigation**

There were no significant changes in material litigation since the last annual balance sheet date.

**B9. Dividend**

The Board has recommended a single-tier dividend of 2 sens per share (FYE 2018: 2.5 sens ; special dividend 19 sens) amounting to RM8,522,553 (FYE 2018: RM10,653,192; special dividend RM80,964,259) in respect of the financial year ended 31 March 2019 which will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

**B10. Earnings Per Share**

Basic earnings per share is calculated by dividing the Group's net profit for the period by the weighted average number of ordinary shares in issue during the period, disclosed as follows:-

	Current quarter ended 30/06/2019	Comparative quarter ended 30/06/2018	Current 3 months ended 30/06/2019	Corresponding 3 months ended 30/06/2018
(i) Net profit for the period (RM'000)	3,499	2,395	3,499	2,395
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	0.82	0.56	0.82	0.56

The company does not have any dilutive potential ordinary shares outstanding as at 30 June 2019. Accordingly, no diluted earnings per share is presented.

**B11. Profit for the Year**

	Current quarter ended 30.06.2019 RM'000	Comparative quarter ended 30.06.2018 RM'000	Current 3 months ended 30.06.2019 RM'000	Corresponding 3 months ended 30.06.2018 RM'000
Profit for the period is arrived at after crediting:				
Interest Income	69	599	69	599
Other Income	1,673	1,119	1,673	1,119
Foreign Exchange Gain	-	-	-	-
Gain on disposal of quoted investment	-	-	-	-
and after charging:				
Interest expense	4,686	4,696	4,686	4,696
Depreciation	1,144	898	1,144	898
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign Exchange Loss	-	114	-	114