

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	As at 31.12.2019	(Audited) As at 31.03.2019
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	229,168	230,218
Intangible asset	557	561
Investment properties	44,511	10,075
Inventories	329,073	326,314
Investment in jointly controlled entities	162,801	150,643
Investment in associates	98,138	92,539
Amount Owing by Associate Companies	1,881	1,881
Deferred tax assets	9,037	16,291
	<u>875,166</u>	<u>828,522</u>
Current assets		
Inventories - completed unit	225,038	111,533
Inventories - property development costs	136,035	264,513
Trade and other receivable	192,428	197,861
Tax recoverable	6,367	8,061
Cash and Cash Equivalents	30,958	39,605
	<u>590,826</u>	<u>621,573</u>
TOTAL ASSETS	<u>1,465,992</u>	<u>1,450,095</u>
 EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	642,504	635,477
	<u>856,045</u>	<u>849,018</u>
Non-controlling interest	-	-
Total equity	<u>856,045</u>	<u>849,018</u>
 Non-current liabilities		
Bank Borrowings	170,483	133,637
Deferred taxation	3,358	3,649
	<u>173,841</u>	<u>137,286</u>
Current liabilities		
Trade and other payables	203,746	180,749
Bank Borrowings	228,389	279,322
Taxation	3,971	3,720
	<u>436,106</u>	<u>463,791</u>
Total liabilities	<u>609,947</u>	<u>601,077</u>
TOTAL EQUITY AND LIABILITIES	<u>1,465,992</u>	<u>1,450,095</u>
 Net assets per ordinary share attributable to owners of the Company (sen)	 200.89	 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 3rd quarter ended 31 December 2019

(The figures have not been audited)

	Current quarter ended 31.12.2019	(Restated) Comparative quarter ended 31.12.2018	Current 9 months ended 31.12.2019	(Restated) Corresponding 9 months ended 31.12.2018
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	83,967	68,767	215,341	195,459
Operating expenses	(71,959)	(65,861)	(183,548)	(166,094)
Other operating income	2,433	1,684	6,066	8,025
Profit from operations	14,441	4,590	37,859	37,390
Depreciation	(1,177)	(1,077)	(3,480)	(3,237)
Finance costs	(4,683)	(4,555)	(14,337)	(13,950)
Share of associate/jointly controlled entities results	<u>3,183</u>	<u>6,528</u>	<u>8,705</u>	<u>2,351</u>
Profit before taxation	11,764	5,486	28,747	22,554
Taxation	<u>(7,961)</u>	<u>(840)</u>	<u>(15,323)</u>	<u>(7,237)</u>
Profit for the period	<u>3,803</u>	<u>4,646</u>	<u>13,424</u>	<u>15,317</u>
Attributable to:				
Owners of the Company	3,803	4,646	13,424	15,317
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u><u>3,803</u></u>	<u><u>4,646</u></u>	<u><u>13,424</u></u>	<u><u>15,317</u></u>
Earning per share - basic (sen)	0.89	1.09	3.15	3.59
- 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 3rd quarter ended 31 December 2019
(The figures have not been audited)

	Current quarter ended 31.12.2019	(Restated) Comparative quarter ended 31.12.2018	Current 9 months ended 31.12.2019	(Restated) Corresponding 9 months ended 31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,803	4,646	13,424	15,317
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	1,463	480	2,126	20,350
Fair Value changes in PPE	-	-	-	-
Other comprehensive income	<u>1,463</u>	<u>480</u>	<u>2,126</u>	<u>20,350</u>
Total comprehensive income	<u>5,266</u>	<u>5,126</u>	<u>15,550</u>	<u>35,667</u>
Attributable to:				
Owners of the Company	5,266	5,126	15,550	35,667
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u><u>5,266</u></u>	<u><u>5,126</u></u>	<u><u>15,550</u></u>	<u><u>35,667</u></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 9 months ended 31 December 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 9 months ended</u>								
<u>31 December 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	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>26,356</u>	<u>513,663</u>	<u>849,018</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	2,126	13,424	15,550
- Dividend paid	-	-	-	-	-	-	(8,523)	(8,523)
As at 31 December 2019	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>28,482</u>	<u>518,564</u>	<u>856,045</u>
<u>Preceding 9 months ended</u>								
<u>31 December 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)
	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>21,431</u>	<u>528,168</u>	<u>858,598</u>
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	20,350	15,317	35,667
- Dividend paid	-	-	-	-	-	-	(10,653)	(10,653)
As at 31 December 2018	<u>213,541</u>	<u>-</u>	<u>87,597</u>	<u>7,861</u>	<u>-</u>	<u>41,781</u>	<u>532,832</u>	<u>883,612</u>

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 9 months ended 31 December 2019

(The figures have not been audited)

	Current 9 months ended 31.12.2019 RM'000	(Restated) Corresponding 9 months ended 31.12.2018 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	28,747	22,554
Adjustment for :		
Non-cash items	17,981	14,994
Non-operating items (which are investing / financing)	14,119	12,828
Operating profit before working capital changes	60,847	50,376
Changes in working capital		
Receipts from customer	(45,078)	(15,842)
Payments to supplier, contractors and employee	73,882	(3,684)
Interest paid	-	(13,854)
Tax paid	(24,021)	(8,287)
Net cashflows from operating activities	65,630	8,709
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	(5,599)	(11,019)
Other investments	(34,006)	(42,263)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(2,234)	(8,474)
Proceeds from disposal of property, plant and equipment	-	-
Net cashflows from investing activities	(41,839)	(61,756)
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	(8,523)	(10,653)
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	73,501	-
Repayment of bank borrowings	(87,587)	(4,422)
Repayment of JV company	(2,706)	-
Advances to associates	-	-
Net cashflows from financing activities	(25,315)	(15,075)
NET CHANGE IN CASH & CASH EQUIVALENTS	(1,524)	(68,122)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	37,298	138,874
EFFECT OF EXCHANGE RATE CHANGES	(7,123)	6,068
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	28,651	76,820
Represented by:		
Cash and Cash Equivalents	30,958	79,127
less:		
Amount pledged as security for bank facilities	(195)	(195)
Deposit with licenced banks with maturity more than 3 months	(2,112)	(2,112)
	28,651	76,820

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 3RD FINANCIAL QUARTER ENDED 31 DECEMBER 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 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 Interests in Associates and Joint Ventures	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 adopting 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
<i>Amendments to:</i>		
MFRS 9, MFRS 139 & MFRS 7	: Interest Rate Benchmark Reform	1 January 2020
MFRS 17	: Insurance Contracts	1 January 2021
MFRS 1	: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
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 Cash flows

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

A6. Change in Estimate

There were no materials 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 December 2019.

A8. Dividend Paid

A dividend of RM 8,522,553/- for the financial year ended 31 March 2019 was paid during the last quarter.

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
RM'000							
REVENUE							
External Sales	70	11,326	202,051	355	-	603	214,405
Inter-segment Sales	153	-	-	830	-	(47)	936
Total revenue	223	11,326	202,051	1,185	-	556	215,341
RESULTS							
Segment results	(25)	(4,029)	57,147	(555)	12,413	(28,640)	36,311
Unallocated corporate (expenses)/income							(1,932)
Operating profit							34,379
Finance cost, net							(14,337)
Share of net profit/(loss) of associated companies			3,117	(11)	5,599		8,705
Income taxes							(15,323)
Profit for the period							13,424

(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 31 December 2019 up to the date of this announcement that has not been reflected in the financial statements as at 31 December 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 9 months ended 31 December 2019, the Group recorded a turnover of RM215.34 million, an increase of 10.17% compared to the corresponding last financial year. The increase was mainly due to better sales in UNA project and completion of Sqwhere's service apartment. The decrease in net profit to RM13.42 million was mainly due to reversal of deferred tax asset previously provided in accordance to MFRS. This was mitigated by contribution amounting to RM8.70 million from iron ore mining result by Fortress Minerals Limited and Singapore projects by jointly controlled entities.

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

For the quarter ended 31 December 2019, the Group registered a slight increase in profit before tax of RM11.76 million compared to RM11.54 million recorded in the preceding quarter ended 30 September 2019. This was mainly attributable to better sales of UNA and contribution from Singapore projects by jointly controlled entities.

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 RM233.09 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 31/12/2019 RM'000	Financial year 31/12/2019 RM'000
- current taxation	1,874	4,815
- deferred taxation	6,223	10,644
- under/(over) provision in prior years	(137)	(137)
- Current	-	-
- Deferred	-	-
	<u>7,960</u>	<u>15,322</u>

For the current quarter, the Group's taxation is higher compared to the statutory rate mainly due to reversal of deferred tax provided in accordance to MFRS in previous year.

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 31 December 2019 are as follows:-

<i>Long Term Bank Borrowing</i>	RM'000
<i>Secured:</i>	
Revolving Credit	90,000
Term Loan	137,503
Repayments due within the next 12 months	<u>(16,757)</u>
Sub-Total	<u>210,746</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	104,289
Term Loan	2,080
Current portion of long term borrowing	<u>16,757</u>
Sub-Total	<u>123,126</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>398,872</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	6,500	19,768

B8. Material Litigation

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

B9. Dividend

No dividend has been recommended in respect of the current financial period.

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 31/12/2019	Comparative quarter ended 31/12/2018	Current 9 months ended 31/12/2019	Corresponding 9 months ended 31/12/2018
(i) Net profit for the period (RM'000)	3,803	4,646	13,424	15,317
(ii) Weighted average number of ordinary shares in issue ('000)	426,127	426,127	426,127	426,127
Basic earnings per share (sen)	0.89	1.09	3.15	3.59

The company does not have any dilutive potential ordinary shares outstanding as at 31 December 2019. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting:				
Interest Income	105	95	317	1,122
Other Income	2,328	1,589	5,749	6,903
Foreign Exchange Gain	-	-	-	-
Gain on disposal of quoted investment	-	-	-	-
<i>and after charging:</i>				
Interest expense	4,683	4,455	14,337	13,950
Depreciation	1,177	1,077	3,480	3,237
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign Exchange Loss	-	248	-	455