

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

| | As at 31.03.2020 | (Audited) As at 31.03.2019 |
|--|---------------------|----------------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 256,293 | 230,218 |
| Intangible asset | 553 | 561 |
| Investment properties | 6,119 | 10,075 |
| Inventories | 383,299 | 326,314 |
| Investment in jointly controlled entities | 167,322 | 150,643 |
| Investment in associates | 98,633 | 92,539 |
| Amount Owing by Associate Companies | 2,199 | 1,881 |
| Deferred tax assets | 8,054 | 16,291 |
| | <u>922,472</u> | <u>828,522</u> |
| Current assets | | |
| Inventories - completed unit | 240,855 | 111,533 |
| Inventories - property development costs | 60,874 | 264,513 |
| Trade and other receivable | 120,058 | 197,861 |
| Tax recoverable | 8,641 | 8,061 |
| Cash and Cash Equivalents | 42,440 | 39,605 |
| | <u>472,868</u> | <u>621,573</u> |
| TOTAL ASSETS | <u>1,395,340</u> | <u>1,450,095</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share Capital | 213,541 | 213,541 |
| Reserves | 622,628 | 635,477 |
| | <u>836,169</u> | <u>849,018</u> |
| Non-controlling interest | - | - |
| Total equity | <u>836,169</u> | <u>849,018</u> |
| Non-current liabilities | | |
| Bank Borrowings | 152,357 | 133,637 |
| Lease liabilities | 3,410 | - |
| Deferred taxation | 2,488 | 3,649 |
| | <u>158,255</u> | <u>137,286</u> |
| Current liabilities | | |
| Trade and other payables | 124,618 | 180,749 |
| Lease liabilities | 1,563 | - |
| Bank Borrowings | 274,735 | 279,322 |
| Taxation | - | 3,720 |
| | <u>400,916</u> | <u>463,791</u> |
| Total liabilities | <u>559,171</u> | <u>601,077</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,395,340</u> | <u>1,450,095</u> |
| | - | |
| Net assets per ordinary share attributable to owners of the Company (sen) | 196.23 | 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 4th quarter ended 31 March 2020
(The figures have not been audited)

| | Current quarter ended 31.03.2020 | Comparative quarter ended 31.03.2019 | Current 12 months ended 31.03.2020 | Corresponding 12 months ended 31.03.2019 |
|--|---|---|---|---|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Revenue | 28,503 | 60,667 | 243,844 | 256,126 |
| Operating expenses | (48,122) | (58,141) | (231,670) | (224,235) |
| Other operating income | 6,664 | 12,600 | 12,730 | 20,625 |
| Profit from operations | (12,955) | 15,126 | 24,904 | 52,516 |
| Depreciation | (3,087) | (1,131) | (6,567) | (4,368) |
| Finance costs | (5,055) | (4,651) | (19,392) | (18,601) |
| Share of associate/jointly controlled entities results | <u>(1,053)</u> | <u>3,817</u> | <u>7,652</u> | <u>6,168</u> |
| Profit before taxation | (22,150) | 13,161 | 6,597 | 35,715 |
| Taxation | <u>4,266</u> | <u>(4,062)</u> | <u>(11,057)</u> | <u>(11,299)</u> |
| Profit for the period | <u>(17,884)</u> | <u>9,099</u> | <u>(4,460)</u> | <u>24,416</u> |
| Attributable to: | | | | |
| Owners of the Company | (17,884) | 9,099 | (4,460) | 24,416 |
| Non-controlling interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Profit for the period | <u>(17,884)</u> | <u>9,099</u> | <u>(4,460)</u> | <u>24,416</u> |
| Earning per share - basic (sen) | (4.20) | 2.14 | (1.05) | 5.73 |
| - diluted (sen) | - | - | - | - |

*The Condensed Consolidated Income Statement should be read in conjunction with
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 4th quarter ended 31 March 2020

(The figures have not been audited)

| | Current quarter ended 31.03.2020 | Comparative quarter ended 31.03.2019 | Current 12 months ended 31.03.2020 | Corresponding 12 months ended 31.03.2019 |
|--|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | (17,884) | 9,099 | (4,460) | 24,416 |
| Fair value changes in available-for-sale financial asset | - | - | - | - |
| Foreign currency translation differences for foreign operations | (545) | (15,425) | 918 | 4,925 |
| Share of other comprehensive loss of a associate | - | - | (729) | (729) |
| Fair Value changes in PPE | - | - | - | - |
| Other comprehensive income | <u>(545)</u> | <u>(15,425)</u> | <u>189</u> | <u>4,196</u> |
| Total comprehensive income | <u>(18,429)</u> | <u>(6,326)</u> | <u>(4,271)</u> | <u>28,612</u> |
| Attributable to: | | | | |
| Owners of the Company | (9,537) | (7,055) | (4,271) | 28,612 |
| Non-controlling interest | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income | <u>(18,429)</u> | <u>(6,326)</u> | <u>(4,271)</u> | <u>28,612</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 12 months ended 31 March 2020

(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 12 months ended</u> | | | | | | | | |
| <u>31 March 2020</u> | | | | | | | | |
| As at 1 April 2019 | 213,541 | - | 87,597 | 7,861 | - | 26,356 | 513,663 | 849,018 |
| Effects of adopting MFRS 16 | - | - | - | - | - | - | (55) | (55) |
| Restated | 213,541 | - | 87,597 | 7,861 | - | 26,356 | 513,608 | 848,963 |
| Movement during the period: | | | | | | | | |
| - Total comprehensive income for the the period | - | - | - | - | - | 189 | (4,460) | (4,271) |
| - Dividend paid | - | - | - | - | - | - | (8,523) | (8,523) |
| As at 31 March 2020 | 213,541 | - | 87,597 | 7,861 | - | 26,545 | 500,625 | 836,169 |
| <u>Preceding 12 months ended</u> | | | | | | | | |
| <u>31 March 2019</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 | - | - | - | - | - | - | (52,505) | (52,505) |
| | 213,541 | - | 87,597 | 7,861 | - | 21,431 | 499,900 | 830,330 |
| Movement during the period: | | | | | | | | |
| - Total comprehensive income for the the period | - | - | - | - | - | 4,925 | 24,416 | 29,341 |
| - Dividend paid | - | - | - | - | - | - | (10,653) | (10,653) |
| As at 31 March 2019 | 213,541 | - | 87,597 | 7,861 | - | 26,356 | 513,663 | 849,018 |

*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 12 months ended 31 March 2020

(The figures have not been audited)

| | Current 12 months ended 31.03.2020 RM'000 | Corresponding 12 months ended 31.03.2019 RM'000 |
|---|---|---|
| CASHFLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 6,597 | 35,715 |
| Adjustment for : | | |
| Non-cash items | 4,381 | (12,720) |
| Non-operating items (which are investing / financing) | 17,040 | 18,002 |
| Operating profit before working capital changes | 28,018 | 40,997 |
| Changes in working capital | | |
| Receipts from customer | (47,806) | (31,517) |
| Payments to supplier, contractors and employee | 55,470 | (20,487) |
| Interest paid | - | (13,854) |
| Tax paid | (22,512) | (14,494) |
| Net cashflows from operating activities | 13,170 | (39,355) |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| Equity investments | (8,337) | (36,539) |
| Other investments | (2,065) | 8,142 |
| Investment in jointly controlled entities | - | - |
| Purchase/Disposal of property, plant and equipment | (3,148) | (9,753) |
| Proceeds from disposal of property, plant and equipment | - | - |
| Net cashflows from investing activities | (13,550) | (38,150) |
| 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 | 121,479 | - |
| Repayment of bank borrowings | (107,344) | (19,486) |
| Repayment of JV company | (2,755) | - |
| Advances to associates | - | - |
| Net cashflows from financing activities | 2,857 | (30,139) |
| NET CHANGE IN CASH & CASH EQUIVALENTS | 2,477 | (107,644) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 37,298 | 138,874 |
| EFFECT OF EXCHANGE RATE CHANGES | (16,623) | 6,068 |
| CASH & CASH EQUIVALENTS AT END OF THE PERIOD | 23,152 | 37,298 |
| Represented by: | | |
| Cash and Cash Equivalents | 42,440 | 39,605 |
| less: | | |
| Amount pledged as security for bank facilities | (195) | (195) |
| Deposit with licenced banks with maturity more than 3 months | (2,112) | (2,112) |
| | 40,133 | 37,298 |

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 4TH FINANCIAL QUARTER ENDED 31 MARCH 2020

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 | 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 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 March 2020.

A8. Dividend Paid

A dividend of RM 8,522,553/- for the financial year ended 31 March 2019 was paid during the second 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 | 93 | 14,035 | 226,176 | 1,406 | - | 846 | 242,556 |
| Inter-segment Sales | 204 | - | - | 1,167 | - | (83) | 1,288 |
| Total revenue | <u>297</u> | <u>14,035</u> | <u>226,176</u> | <u>2,573</u> | <u>-</u> | <u>763</u> | <u>243,844</u> |
| RESULTS | | | | | | | |
| Segment results | (42) | (6,173) | 54,165 | (977) | 15,462 | (41,968) | 20,467 |
| Unallocated corporate (expenses)/income | | | | | | | <u>(2,131)</u> |
| Operating profit | | | | | | | 18,336 |
| Finance cost, net | | | | | | | (19,392) |
| Share of net profit/(loss) of associated companies | | | (644) | (40) | 8,337 | | 7,653 |
| Income taxes | | | | | | | <u>(11,057)</u> |
| Profit for the period | | | | | | | <u>(4,460)</u> |

(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

In line with the Group's adoption of fair value method in relation to its investment properties, the Group's property, land and buildings were revalued by Raine & Horne International Zaki + Partners Sdn. Bhd. ("Raine & Horne") a firm of registered independent professional valuer as at 31 March 2020 on an open market basis for existing use.

The resulting net deficit of RM40,000 has been recognised directly to the income statement.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 31 March 2020 up to the date of this announcement that has not been reflected in the financial statements as at 31 March 2020.

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 12 months ended 31 March 2020, the Group recorded a turnover of RM243.84 million, a decrease of 4.80% compared to the corresponding last financial year. The decrease was mainly due to softer market sentiment in the real estate industry. The Group net loss of RM4.46 million was mainly due to reversal of deferred tax asset previously provided and impairment of capitalized costs in land held for development in accordance to MFRS. This was mitigated by contribution amounting to RM8.34 million from iron ore mining result by Fortress Minerals Limited.

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

For the quarter ended 31 March 2020, the Group registered loss before tax of RM22.15 million compared to profit of RM11.76 million recorded in the preceding quarter ended 31 December 2019. This was mainly due to impairment of capitalized costs in land held for development in accordance to MFRS and softer market sentiment in the real estate industry.

B3. Prospects for the Current Financial Year

The outlook for the coming financial year for the property sector is expected to remain challenging in view of the adverse market condition due to uncertainty in global economic condition as a result of US-China trade war, outbreak of coronavirus (Covid-19) and related control measures implemented by affected countries 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.

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 RM200.25 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 31/03/2020 RM'000 | Financial year 31/03/2020 RM'000 |
|--|--|---|
| - current taxation | 958 | 5,773 |
| - deferred taxation | (2,489) | 8,155 |
| - (over) / under provision in prior years; | | |
| - taxation | (2,735) | (2,871) |
| - deferred | - | - |
| | <u>(4,266)</u> | <u>11,057</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.

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 March 2020 are as follows:-

| | RM'000 |
|--|-----------------|
| Long Term Bank Borrowing | |
| <i>Secured:</i> | |
| Revolving Credit | 134,529 |
| Term Loan | 129,008 |
| Repayments due within the next 12 months | <u>(14,357)</u> |
| Sub-Total | <u>249,180</u> |
| <i>Unsecured:</i> | |
| Revolving Credit | - |
| Term Loan | - |
| Repayments due within the next 12 months | <u>-</u> |
| Sub-Total | <u>-</u> |
| Short Term Bank Borrowing | |
| <i>Secured:</i> | |
| Revolving Credit | 98,556 |
| Term Loan | - |
| Current portion of long term borrowing | <u>14,357</u> |
| Sub-Total | <u>112,913</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>427,093</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 | 6,375 | 19,287 |

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 31/03/2020 | Comparative quarter ended 31/03/2019 | Current 12 months ended 31/03/2020 | Corresponding 12 months ended 31/03/2019 |
|--|---|---|---|---|
| (i) Net (loss) / profit for the period (RM'000) | (17,884) | 9,099 | (4,460) | 24,416 |
| (ii) Weighted average number of ordinary shares in issue ('000) | 426,127 | 426,127 | 426,127 | 426,127 |
| Basic earnings per share (sen) | (4.20) | 2.14 | (1.05) | 5.73 |

The company does not have any dilutive potential ordinary shares outstanding as at 31 March 2020. Accordingly, no diluted earnings per share is presented.

B11. Profit for the Year

| | Individual Quarter | | Cumulative Quarter | |
|---|--|--|--|--|
| | Current quarter ended 31.03.2020 <u>RM'000</u> | Comparative quarter ended 31.03.2019 <u>RM'000</u> | Current 12 months ended 31.03.2020 <u>RM'000</u> | Corresponding 12 months ended 31.03.2019 <u>RM'000</u> |
| Profit for the period is arrived at after crediting: | | | | |
| Interest Income | 2,169 | 587 | 2,486 | 1,709 |
| Other Income | 4,495 | 11,693 | 10,244 | 18,596 |
| Foreign Exchange Gain | - | 320 | - | 320 |
| Gain on disposal of quoted investment | - | - | - | - |
| <i>and after charging:</i> | | | | |
| Interest expense | 5,055 | 4,651 | 19,392 | 18,601 |
| Depreciation | 3,078 | 1,131 | 6,567 | 4,368 |
| Provision for/write off of receivables | - | - | - | - |
| Provision for/write off of inventories | - | - | - | - |
| Foreign Exchange Loss | - | (218) | - | 237 |