

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	As at 31.12.2020	(Audited) As at 31.03.2020
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	261,163	256,293
Intangible asset	548	553
Investment properties	6,119	6,119
Inventories	392,054	383,299
Investment in jointly controlled entities	186,722	167,637
Investment in associates	116,716	98,445
Amount Owing by Associate Companies	2,188	2,199
Deferred tax assets	5,867	8,054
	<u>971,377</u>	<u>922,599</u>
Current assets		
Inventories - completed unit	179,674	238,041
Inventories - property development costs	59,543	63,687
Trade and other receivable	120,978	129,071
Tax recoverable	9,946	8,641
Cash and Cash Equivalents	53,244	42,439
	<u>423,385</u>	<u>481,879</u>
TOTAL ASSETS	<u>1,394,762</u>	<u>1,404,478</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share Capital	213,541	213,541
Reserves	619,412	622,917
	<u>832,953</u>	<u>836,458</u>
Non-controlling interest	-	-
Total equity	<u>832,953</u>	<u>836,458</u>
Non-current liabilities		
Bank Borrowings	175,717	133,070
Lease liabilities	3,524	3,566
Deferred taxation	2,429	2,488
	<u>181,670</u>	<u>139,124</u>
Current liabilities		
Trade and other payables	117,603	133,466
Lease liabilities	-	1,407
Bank Borrowings	262,536	294,023
Taxation	-	-
	<u>380,139</u>	<u>428,896</u>
Total liabilities	<u>561,809</u>	<u>568,020</u>
TOTAL EQUITY AND LIABILITIES	<u>1,394,762</u>	<u>1,404,478</u>
	-	-
Net assets per ordinary share attributable to owners of the Company (sen)	195.47	196.29

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st March 2020

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT**for the 3rd quarter ended 31 December 2020**

(The figures have not been audited)

	Current quarter ended 31.12.2020	Comparative quarter ended 31.12.2019	Current 9 months ended 31.12.2020	Corresponding 9 months ended 31.12.2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	62,316	83,967	125,045	215,341
Operating expenses	(71,311)	(71,959)	(142,084)	(183,548)
Other operating income	3,156	2,433	5,938	6,066
Profit from operations	(5,839)	14,441	(11,101)	37,859
Depreciation	(1,176)	(1,177)	(4,483)	(3,480)
Finance costs	(3,188)	(4,683)	(9,630)	(14,337)
Share of associate/jointly controlled entities results	<u>11,549</u>	<u>3,183</u>	<u>24,185</u>	<u>8,705</u>
Profit before taxation	1,346	11,764	(1,029)	28,747
Taxation	<u>(971)</u>	<u>(7,961)</u>	<u>(4,442)</u>	<u>(15,323)</u>
Profit for the period	<u>375</u>	<u>3,803</u>	<u>(5,471)</u>	<u>13,424</u>
Attributable to:				
Owners of the Company	375	3,803	(5,471)	13,424
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u><u>375</u></u>	<u><u>3,803</u></u>	<u><u>(5,471)</u></u>	<u><u>13,424</u></u>
Earning per share - basic (sen)	0.09	0.89	(1.28)	3.15
- diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31st March 2020

SELANGOR DREDGING BERHAD

Reg No. 196201000105 (4624-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**for the 3rd quarter ended 31 December 2020**

(The figures have not been audited)

	Current quarter ended 31.12.2020	Comparative quarter ended 31.12.2019	Current 9 months ended 31.12.2020	Corresponding 9 months ended 31.12.2019
	RM'000	RM'000	RM'000	RM'000
Profit for the period	375	3,803	(5,471)	13,424
Fair value changes in available-for-sale financial asset	-	-	-	-
Foreign currency translation differences for foreign operations	320	1,463	1,967	2,126
Share of other comprehensive loss of a associate	-	-	-	-
Fair Value changes in PPE	-	-	-	-
Other comprehensive income	<u>320</u>	<u>1,463</u>	<u>1,967</u>	<u>2,126</u>
Total comprehensive income	<u>695</u>	<u>5,266</u>	<u>(3,504)</u>	<u>15,550</u>
Attributable to:				
Owners of the Company	695	5,266	(3,504)	15,550
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>695</u>	<u>5,266</u>	<u>(3,504)</u>	<u>15,550</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st March 2020

SELANGOR DREDGING BERHAD
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 9 months ended 31 December 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 9 months ended</u>								
<u>31 December 2020</u>								
As at 1 April 2020	213,541	-	87,597	7,861	-	26,850	500,609	836,458
Effects of adopting MFRS 16	-	-	-	-	-	-	-	-
Restated	213,541	-	87,597	7,861	-	26,850	500,609	836,458
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	1,967	(5,471)	(3,504)
- Dividend paid	-	-	-	-	-	-	-	-
As at 31 December 2020	213,541	-	87,597	7,861	-	28,817	495,138	832,954
<u>Preceding 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	-	-	-	-	-	-	-	-
	213,541	-	87,597	7,861	-	26,356	513,663	849,018
Movement during the period:								
- Total comprehensive income for the the period	-	-	-	-	-	2,126	13,424	15,550
- Dividend paid	-	-	-	-	-	-	(8,522)	(8,522)
As at 31 December 2019	213,541	-	87,597	7,861	-	28,482	518,565	856,046

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2020

SELANGOR DREDGING BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**for the 9 months ended 31 December 2020**

(The figures have not been audited)

	Current 9 months ended 31.12.2020 RM'000	Corresponding 9 months ended 31.12.2019 RM'000
CASHFLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(1,029)	28,747
Adjustment for :		
Non-cash items	(19,740)	17,981
Non-operating items (which are investing / financing)	9,423	14,119
Operating profit before working capital changes	<u>(11,347)</u>	<u>60,847</u>
Changes in working capital		
Receipts from customer	50,061	(31,055)
Payments to supplier, contractors and employee	(863)	60,882
Interest paid	(10,936)	(14,023)
Tax paid	(3,618)	(11,021)
Net cashflows from operating activities	<u>23,297</u>	<u>65,630</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Equity investments	-	(5,599)
Other investments	(2,916)	(34,006)
Investment in jointly controlled entities	-	-
Purchase/Disposal of property, plant and equipment	(9,251)	(2,234)
Proceeds from disposal of property, plant and equipment	-	-
Net cashflows from investing activities	<u>(12,167)</u>	<u>(41,839)</u>
CASHFLOW FROM FINANCING ACTIVITIES		
Dividend paid to MI Shareholders of subsidiary companies	-	-
Dividend paid to Shareholder of Company	-	(8,523)
Withdrawal of fixed deposit pledged	-	-
Drawdown of bank borrowings	52,185	73,501
Repayment of bank borrowings	(41,025)	(87,587)
Repayment of JV company	(176)	(2,706)
Advances to associates	-	-
Net cashflows from financing activities	<u>10,984</u>	<u>(25,315)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	22,114	(1,524)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	40,446	37,298
EFFECT OF EXCHANGE RATE CHANGES	(11,316)	(7,123)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	<u>51,244</u>	<u>28,651</u>
Represented by:		
Cash and Cash Equivalents	53,244	30,958
less:		
Amount pledged as security for bank facilities	-	(195)
Deposit with licenced banks with maturity more than 3 months	(1,993)	(2,112)
	<u>51,251</u>	<u>28,651</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st March 2020

SELANGOR DREDGING BERHAD
 Registration No. 196201000105 (4624-U)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS
 FOR THE 3RD FINANCIAL QUARTER ENDED 31 DECEMBER 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 2020.

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 2020 except the Group is in the process of assessing the impact of implementing for the adoption of the following amendments to MFRSs

<i>Amendments to:</i>	Effective for annual periods beginning on or after
MFRS 3 : Definition of a Business	1 January 2020
MFRS 101 & MFRS 108 : Defination of Material	1 January 2020
MFRS 9, MFRS 139 & MFRS 7 : Interest Rate Benchmark Reform	1 January 2020

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

<i>Amendments to:</i>	Effective for annual periods beginning on or after
MFRS 16 : Covid-19-Related Rent Concessions	1 June 2020
MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
MFRS 9, MFRS 139, MFRS 17, MFRS 4& MFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021

MFRS 101	: Classification of Liabilities as Current or Non-current	1 January 2022
MFRS 141	: Agriculture (Annual Improvements to MFRS Standard 2018 – 2020)	1 January 2022
MFRS 3	: Reference to the Conceptual Framework	1 January 2022
MFRS 116	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
MFRS 137	: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
MFRS 17	: Insurance Contracts	1 January 2023
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

No dividend was paid during the current financial quarter and period-to-date ended 31 December 2020.

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	88	1,324	122,219	1,315	-	98	125,044
Inter-segment Sales	108	-	-	-	-	(108)	-
Total revenue	196	1,324	122,219	1,315	-	(10)	125,044
RESULTS							
Segment results	(13)	(7,988)	6,747	(281)	6,753	(19,969)	(14,751)
Unallocated corporate (expenses)/income							(832)
Operating profit							(15,583)
Finance cost, net							(9,630)
Share of net profit/(loss) of associated companies			6,390	(14)	17,810		24,186
Income taxes							(4,442)
Profit for the period							(5,469)

(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 2020.

A11. Material Events Subsequent to the End of the Period

There are no material events subsequent to 31 December 2020 up to the date of this announcement that has not been reflected in the financial statements as at 31 December 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 9 months ended 31 December 2020, the Group recorded lower turnover and loss of RM125.05 million and RM5.47 million respectively compared to the corresponding quarter on last financial year. The decrease was mainly due to closure of construction site and adverse market sentiment as a result of coronavirus (Covid-19) outbreak since early January 2020. Hence, sales were not recognised as revenue as a result of no work progress for approximately 3 months and 6 months in Malaysia and Singapore. This was mitigated by contribution amounting to RM17.81 million from iron ore mining results 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 December 2020, the Group registered profit before tax of RM1.35 million compared to RM4.64 million recorded in the preceding quarter ended 30 September 2020. This was mainly due to increase in Selling & Marketing expenditure in various channels to potential buyers in this adverse marketing sentiments.

B3. Prospects for the Current Financial Year

The outlook for the remaining 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 coronavirus (Covid-19) pandemic 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 RM184.62 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 31.12.2020 RM'000	Financial year 31.12.2020 RM'000
- current taxation	359	1,966
- deferred taxation	537	2,401
- (over) / under provision in prior years;	-	-
- taxation	75	75
- deferred	-	-
	<u>971</u>	<u>4,442</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 December 2020 are as follows:-

	RM'000
Long Term Bank Borrowing	
<i>Secured:</i>	
Revolving Credit	35,000
Term Loan	151,418
Repayments due within the next 12 months	<u>(10,700)</u>
Sub-Total	<u>175,718</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	186,836
Term Loan	-
Current portion of long term borrowing	<u>10,700</u>
Sub-Total	<u>197,536</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>438,254</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	6,000	18,238

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 31.12.2020	Comparative quarter ended 31.12.2019	Current 9 months ended 31.12.2020	Corresponding 9 months ended 31.12.2019
(i) Net (loss) / profit for the period (RM'000)	375	3,803	(5,471)	13,424
(ii) Weighted average number of ordinary shares in issue ('000)	426,128	426,128	426,128	426,128
Basic earnings per share (sen)	0.09	0.89	(1.28)	3.15

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

B11. Profit for the Year

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2020	Comparative quarter ended 31.12.2019	Current 9 months ended 31.12.2020	Corresponding 9 months ended 31.12.2019
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period is arrived at after crediting:				
Interest Income	92	-	203	212
Other Income	803	-	3,158	3,421
Foreign Exchange Gain	-	-	-	-
Gain on disposal of quoted investment	-	-	-	-
<i>and after charging:</i>				
Interest expense	3,188	4,683	9,630	14,337
Depreciation	1,176	1,177	4,483	3,480
Provision for/write off of receivables	-	-	-	-
Provision for/write off of inventories	-	-	-	-
Foreign Exchange Loss	-	-	-	-